



**AMITY SCHOOL DISTRICT NO. 4J**

**Amity, Oregon**

**Annual Financial Report**

**June 30, 2019**

**AMITY SCHOOL DISTRICT NO. 4J**

807 Trade Street  
Amity, Oregon 97101  
(503) 835-2171

**DISTRICT OFFICIALS**

RAY BOTTENBERG 9605 Yocum Road, Sheridan, OR 97378	Vice Chair
RYAN JONES 22320 SE Boulder Crest Lane, Amity, OR 97101	Board Member
TIM HAARSMA PO Box 827, Amity, OR 97101	Board Member
BARBARA ROWE PO Box 590, Amity, OR 97101	Board Member
AMANDA GROVE 8254 SE Sky Vista Dr, Amity, 97101	Board Member
MATT FOERTSCH 2517 N. Paradise Street, Wichita, KS 67205	Ex-Board Chair

**ADMINISTRATION**

JEFF CLARK 807 Trade Street, Amity, OR 97101	Superintendent
ANN ADAMS 807 Trade Street, Amity, OR 97101	Deputy Clerk

**AMITY SCHOOL DISTRICT NO. 4J**

**AUDIT REPORT**

June 30, 2019

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**AMITY SCHOOL DISTRICT NO. 4J**

**AUDIT REPORT**

**June 30, 2019**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Amity School District No. 4J,  
807 Trade Street Amity, Oregon 97101

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Amity School District No. 4J as of and for the year ended June 30, 2019 which collectively comprise the District's basic financial statements, as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting standards generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions

### **Opinions**

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Amity School District No. 4J as of June 30, 2019, and the respective changes in financial position and in conformity with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion on pages 2-9, the schedules of revenues, expenditures and changes in fund balances – budget and actuals on pages 52-53, and the pension schedules on pages 54-57 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

I have applied certain limited procedures to the management's discussion and analysis and the pension schedules in accordance with the auditing standards generally accepted in the United States of America, which consisted principally of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedules of revenues, expenditures and changes in fund balances – budget and actuals described above on pages are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The schedules of revenues, expenditures and changes in fund balances – budget and actuals have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the schedules of revenues, expenditures and changes in fund balances – budget and actuals are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### *Other Information*

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Amity School District No. 4J's basic financial statements. The other supplementary information on pages 59-88 is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Amity School District No. 4J.

The other supplementary information on pages 59-88 is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, other supplementary information is fairly stated in all material respects in relation to the financial statements taken as a whole.

#### **Report on Other Legal and Regulatory Requirements**

In accordance with the *Minimum Standards for Audits of Oregon Municipal Corporations*, I have issued my report dated November 22, 2019, on my consideration of the Amity School District No. 4J's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of my testing of compliance and the results of that testing and not to provide an opinion on the District's compliance.



Steve Tuhscherer, CPA  
November 22, 2019

**MANAGEMENT'S**  
**DISCUSSION**  
**AND ANALYSIS**

**AMITY SCHOOL DISTRICT NO. 4J**  
**Management's Discussion and Analysis (MD&A)**  
**For the Fiscal Year Ended June 30, 2019**  
**Unaudited**

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The discussion and analysis of Amity School District No. 4J's financial performance provides an overview of the District's financial activities for the fiscal year that ended June 30, 2019. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the fiscal year ended June 30, 2019 are as follows:

- The District's net position increased \$286,250 by which represents a 27.6% increase from the previous year primarily due to the increase in capital assets and grant revenue.
- General revenues accounted for \$9,625,477 in revenue, or 88.0% of all revenues. Program specific revenues in the form of charges for services, and grants and contributions accounted for \$1,315,680 or 12.0% of total revenues of \$10,941,157.
- The District had \$10,654,906 in expenses, which was less than total revenues, resulting in an increase in total net position of \$286,250.
- Total assets of governmental activities decreased by \$29,983, primarily due to a decrease in the prepaid pension obligation balance from the prior year.
- Total liabilities decreased by \$314,622 during the year primarily due to principal payments on long term debt.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

Management's Discussion and Analysis introduces the District's basic financial statements. The basic financial statements include: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes additional supplementary information to supplement the basic financial statements.

*Government-wide Financial Statements*

The first of the government-wide statements is the *Statement of Net Position*. This is the District-wide statement of financial position presenting information that includes all of the District's assets and liabilities. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. Evaluation of the overall economic health of the District would extend to other non-financial factors such as the condition of school buildings and other facilities and changes in the district's enrollment, which dictates the majority of revenue to be collected through the State Funding Formula.



## **AMITY SCHOOL DISTRICT NO. 4J**

### **Management's Discussion and Analysis (MD&A) For the Fiscal Year Ended June 30, 2019 Unaudited**

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The second government-wide statement is the *Statement of Activities* which reports how the District's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the *Statement of Activities* is to show the financial reliance of the distinct activities or functions of the District that are primarily supported by intergovernmental revenues, principally state basic school support and property tax revenues. The governmental activities of the District include instruction, instructional support services, operation and maintenance of plant, student transportation, and non-instructional support services.

#### *Fund Financial Statements*

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, Fund Financial Statements focus on the District's most significant funds rather than the District as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of individual budget versus actual statements and combining statements in a later section of this report.

*Governmental funds*, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. Unlike the government-wide financial statements, these statements report short-term fiscal accountability focusing on use of spendable resources during the year and balances of spendable resources available at the end of the fiscal year.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide reconciliation to government-wide statements to assist in understanding the differences between these two perspectives.

*Fiduciary funds* such as private-purpose trust funds for scholarships are reported in the fiduciary fund financial statements, but are excluded from government-wide reporting. Fiduciary fund financial statements report net position and changes in net position on a cash basis.

#### *Notes to the Financial Statements*

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin immediately following the basic financial statements.

#### *Other Information*

In addition to the basic financial statements and accompanying notes, this report also presents as required supplementary information budgetary comparison statements for the General Fund, the IDEA Grant Fund, the Debt Service Fund, the PERS Bond Debt Fund and the Capital Improvement Fund. The required supplementary information immediately follows the notes to the financial statements. Other supplementary information includes combining statements, individual fund statements and schedules, and other schedules. These statements and schedules immediately follow the required supplementary information in this report.

# **AMITY SCHOOL DISTRICT NO. 4J**

## **Management's Discussion and Analysis (MD&A) For the Fiscal Year Ended June 30, 2019 Unaudited**

### **FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

Recall that the Statement of Net Position provides the perspective of the District as a whole. Net position may serve over time as a useful indicator of a government's financial position.

The District's net position at fiscal year-end was \$1,324,812. This is a \$286,250 increase from last year's net position and represents a 27.6% increase from the previous year.

The following table provides a summary of the District's net position. Comparative information from the previous year is provided.

### **Summary of Net Position**

	Governmental Activities		
	June 30, 2019	June 30, 2018	Percentage Change
<b>Assets</b>			
Current and Other Assets	\$ 5,702,258	\$ 5,917,494	-3.6%
Capital Assets	5,186,033	5,000,780	3.7%
Total Assets	10,888,291	10,918,274	-0.3%
<b>Deferred Outflow of Resources</b>	2,216,546	1,851,153	19.7%
<b>Liabilities</b>			
Long-Term Liabilities	10,117,123	10,117,952	0.0%
Other Liabilities	943,127	1,256,920	-25.0%
Total Liabilities	11,060,250	11,374,872	-2.8%
<b>Deferred Inflow of Resources</b>	719,775	355,993	102.2%
<b>Net Position</b>			
Net Investment in Capital Assets	2,741,089	1,582,213	73.2%
Restricted	66,497	40,734	63.2%
Unrestricted	(1,482,774)	(584,385)	153.7%
Total Net Position	\$ 1,324,812	\$ 1,038,562	27.6%

**AMITY SCHOOL DISTRICT NO. 4J**

**Management's Discussion and Analysis (MD&A)**

**For the Fiscal Year Ended June 30, 2019**

**Unaudited**

The following table shows the changes in net position. Prior-year information is provided for comparative analysis of government-wide revenue and expense information.

	Governmental Activities		
	2018-19	2017-18	Percentage Change
<b>Revenues</b>			
Program Revenues			
Charges for Services	\$ 352,008	\$ 366,846	-4.0%
Operating Grants and Contributions	712,592	806,590	-11.7%
Capital Grants and Contributions	251,080	-	N/A
General Revenues			
Property Taxes	2,399,557	2,269,321	5.7%
State Basic School Support	6,847,382	6,882,800	-0.5%
Other	378,534	338,094	12.0%
Total Revenues	10,941,157	10,663,650	2.6%
<b>Program Expenses</b>			
Instruction	6,382,526	6,184,974	3.2%
Support Services	3,393,514	3,343,912	1.5%
Community Services	350,428	323,004	8.5%
Interest on Long-Term Debt	528,439	510,195	3.6%
Total Program Expenses	10,654,906	10,362,085	2.8%
Special Item: Gain (Loss) on disposition of assets	-	200	
<b>Change in Net Position</b>	\$ 286,251	\$ 301,765	

**AMITY SCHOOL DISTRICT NO. 4J**

**Management’s Discussion and Analysis (MD&A)  
For the Fiscal Year Ended June 30, 2019  
Unaudited**

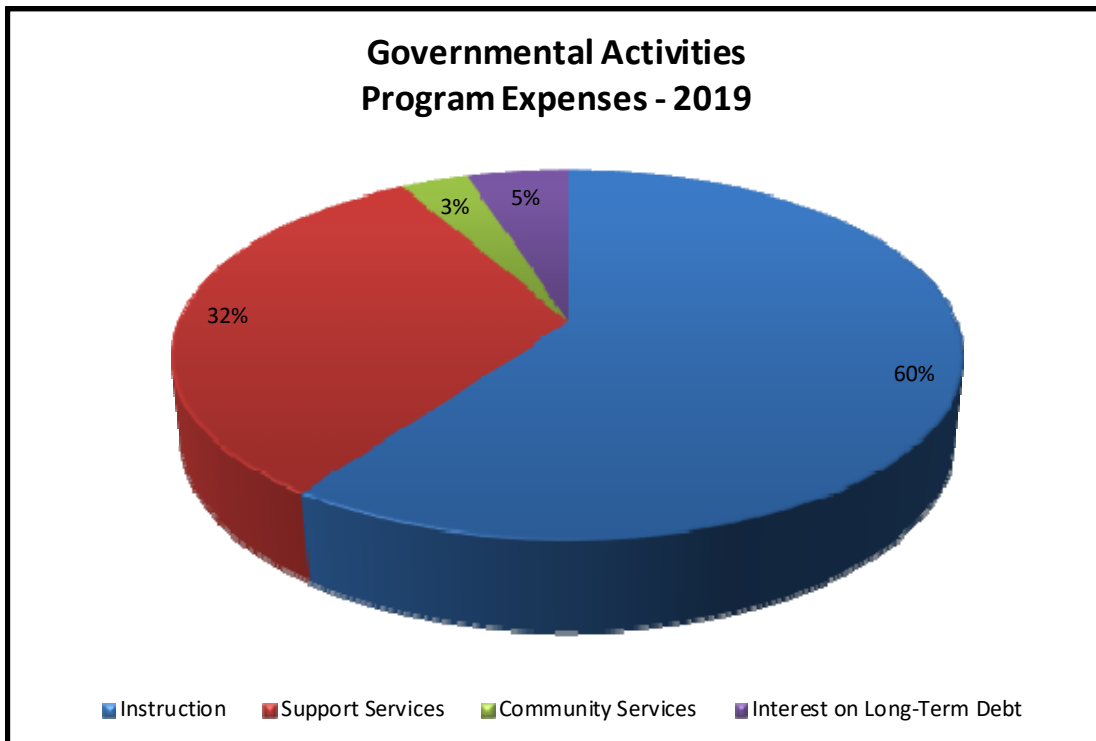
The Statement of Activities shows the cost of program services and the charges for services, grants, and contributions offsetting those services. The following table shows, for governmental activity, the total cost of the four major functional activities of the District. The table also shows each function’s net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and District’s taxpayers by each of these functions. Prior-year information is provided for comparative analysis.

**Governmental Activities**

	2018-19		2017-18	
	Total Cost of Services	Net Cost (Profit) of Services	Total Cost of Services	Net Cost (Profit) of Services
Instruction	\$ 6,382,526	\$ 5,647,502	\$ 6,184,974	\$ 5,318,136
Support Services	3,393,514	3,076,526	3,343,912	3,288,807
Community Services	350,428	86,760	323,004	71,510
Interest on Long-Term Debt	528,439	528,439	510,195	510,195
<b>Total Program Expenses</b>	<b>\$ 10,654,906</b>	<b>\$ 9,339,226</b>	<b>\$ 10,362,085</b>	<b>\$ 9,188,649</b>

The dependence on general revenues for general government activities is apparent. For the current year, 88% of general government activities are supported through general revenues.

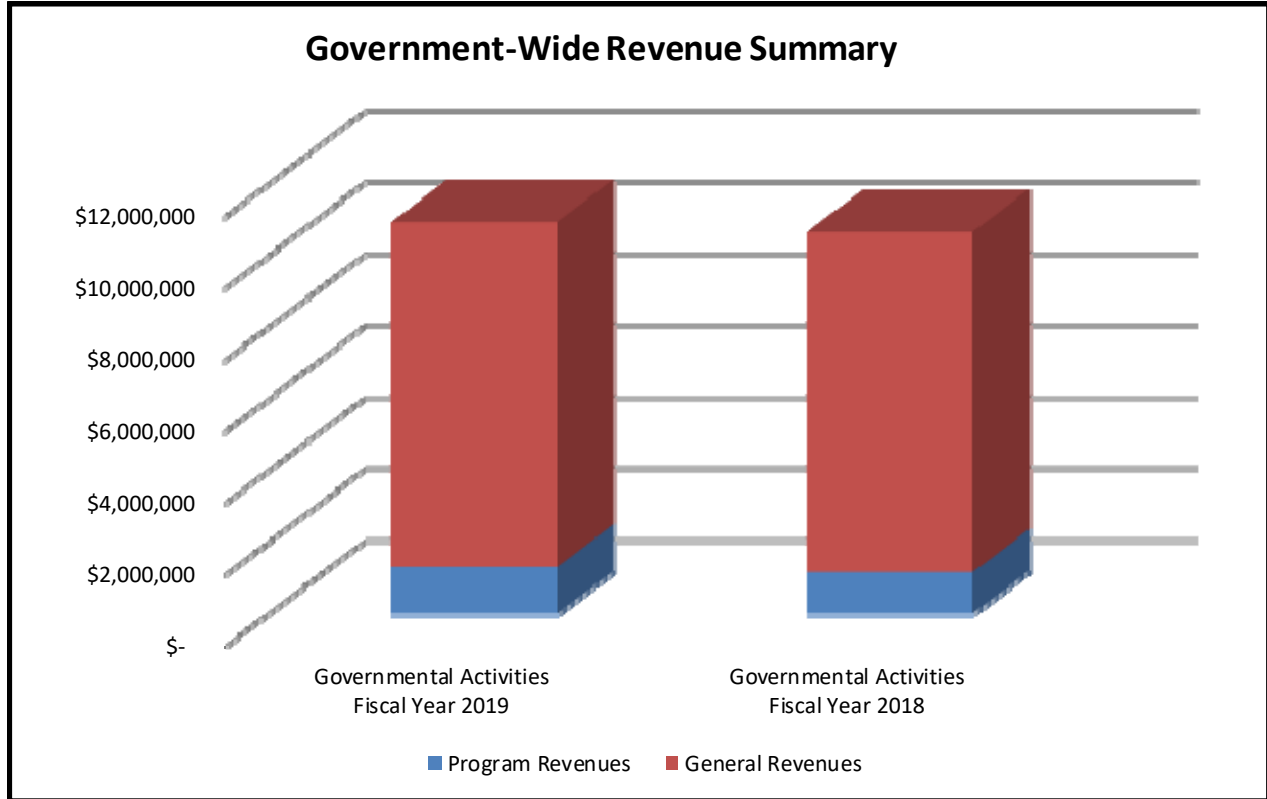
This graph represents the cost of the District’s Program expenses by governmental activities.



# AMITY SCHOOL DISTRICT NO. 4J

## **Management's Discussion and Analysis (MD&A) For the Fiscal Year Ended June 30, 2019 Unaudited**

The following chart analyzes the revenue between governmental activities from prior to current year.



### FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

#### *Governmental Funds*

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the District's governmental funds is to provide information on short-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$3,142,273, an increase of \$59,025. The fund balance consists of restricted, committed, assigned and unassigned amounts. Of the current fund balances, \$712,536 is restricted, \$1,165,395 is committed and \$1,259,461 is unassigned and available for spending at the District's discretion.

The General Fund is the principal operating fund of the District. The increase in fund balance in the General Fund for the fiscal year was \$134,815.

## **AMITY SCHOOL DISTRICT NO. 4J**

### **Management's Discussion and Analysis (MD&A) For the Fiscal Year Ended June 30, 2019 Unaudited**

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#### **BUDGETARY HIGHLIGHTS**

Over the course of the year, the District made only minor changes to its various funds' budgets.

General Fund revenues were budgeted and anticipated to be collected in the amount of \$8,846,680 during the fiscal year. Actual revenues of \$9,053,784 were more than budgeted revenues by \$207,104. General Fund expenditures budget was under-spent by \$827,711. The actual ending fund balance was more than the budgeted ending fund balance by \$1,259,461.

The IDEA Grant Fund #200 ending fund balance decreased by \$0. Actual revenues were less than budgeted revenues by \$106,617, and actual expenditures were \$106,617 under budgeted expenditures.

The Debt Service Fund #300 ending fund balance increased by \$25,763. Actual revenues were more than budgeted revenues by \$58,688, and actual expenditures were \$0 under budgeted expenditures.

The Capital Improvement Fund #430 ending fund balance decreased by \$207,025. Actual revenues were less than budgeted revenues by \$2,287, and actual expenditures were \$78,262 under budgeted expenditures.

#### **CAPITAL ASSETS AND DEBT ADMINISTRATION**

##### *Capital Assets*

As of June 30, 2019, the District had invested \$11,551,774 in capital assets, including school buildings, athletic facilities, land, vehicles, computers and other equipment and furnishings. This amount represents a net increase prior to depreciation of from last year due to additions of \$544,497 and deletions of \$0.

Total depreciation expense for the year was \$359,244. Additional information on the District's capital assets can be found in the Capital Asset Note in the notes to the basic financial statements section of this report.

##### *Long-Term Debt*

At June 30, 2019 the District had \$6,622,368 in long-term debt outstanding. The District paid \$1,150,210 toward the principal balance of the long-term debt. The District paid \$530,966 in interest on total debt.

Additional information on the District's long-term debt can be found in the Long-Term Debt Note in the notes to the basic financial statements section of this report.

## **AMITY SCHOOL DISTRICT NO. 4J**

### **Management's Discussion and Analysis (MD&A) For the Fiscal Year Ended June 30, 2019 Unaudited**

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#### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The primary factors considered in developing the budget for next year were the District's continued commitment to provide quality education programs for all of their students while maintaining fiscal responsibility to their community.

The District's adopted budget for the fiscal year ending June 30, 2020 represents an overall increase of \$1,418,133 or 9.6% when compared with the current fiscal year. The total budget for the fiscal year ending June 30, 2020 is \$16,135,910. The most significant changes in the 2019-20 budget are the increase of state grants and state funding and a significant increase in the budgeted beginning fund balance for the general fund. The special revenue funds also have a significant increase in budgeted instruction expenditures. The remaining operating costs of governmental activities are expected to be similar to those of the current period.

The District will levy its maximum permanent property tax rate of \$4.7796 per \$1,000 of assessed property valuation.

#### **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives.

If you have any questions about this report or need additional information, contact the Amity School District No. 4J at 807 Trade Street, Amity, Oregon 97101.

**BASIC FINANCIAL**  
**STATEMENTS**

**Government -Wide**  
**Financial Statements**



**AMITY SCHOOL DISTRICT NO. 4J**

**STATEMENT OF NET POSITION**

June 30, 2019

		<u>Governmental Activities</u>
<b>ASSETS:</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 3,041,792	
Property Taxes Receivable	149,185	
Accounts Receivable	127,359	
Prepaid Loan Fees, net of accumulated amortization	40,448	
Inventory-Food, Supplies & Commodities	4,881	
Total Current Assets		\$ 3,363,665
Restricted Assets:		
Net OPEB Asset (RHIA)	40,619	
Total Restricted Assets		40,619
Capital Assets:		
Land	296,099	
Construction in Progress	583,420	
Land Improvement	832,459	
Building and Building Improvement	8,866,569	
Machinery and Equipment	973,227	
Less: Accumulated Depreciation	(6,365,741)	
Total Capital Assets, Net of Depreciation		5,186,033
Other Assets:		
Prepaid Expense - Pension Obligation	6,618,174	
Less: Accumulated Amortization	(4,320,200)	
Total Other Assets, Net of Amortization		2,297,974
<b>Total Assets</b>		<b>10,888,291</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>		
Pension Related Deferrals	2,169,243	
OPEB Related Deferrals - RHIA	22,700	
OPEB Related Deferrals - OEBC	24,603	
<b>Total Deferred Outflow of Resources</b>		<b>2,216,546</b>
<b>LIABILITIES:</b>		
Accounts Payable	\$ 69,517	
Accrued Interest Payable	1,883	
Payroll Liabilities	515	
Accrued Vacation Benefits	16,447	
Leases Payable		
Due within one year	34,946	
Bonds Payable		
Due within one year	819,819	
Due in more than one year	5,767,603	
Notes Payable		
Net OPEB Obligation - OEBC	360,554	
Net Pension Liability	3,988,966	
<b>Total Liabilities</b>		<b>11,060,250</b>
<b>DEFERRED INFLOW OF RESOURCES</b>		
Pension Related Deferrals	692,519	
OPEB Related Deferrals - RHIA	11,542	
OPEB Related Deferrals - OEBC	15,714	
<b>Total Deferred Inflow of Resources</b>		<b>719,775</b>
<b>NET POSITION:</b>		
Net Investment in Capital Assets	2,741,089	
Restricted for:		
Debt Service	66,497	
Unrestricted	(1,482,774)	
<b>Total Net Position</b>		<b>\$ 1,324,812</b>

The accompanying notes to the basic financial statements are an integral part of this statement.

# AMITY SCHOOL DISTRICT NO. 4J

## STATEMENT OF ACTIVITIES For the Fiscal Year Ended June 30, 2019

		Program Revenues			Net (Expense) Revenue and Change in Net Position
	(Expenses)	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b><u>GOVERNMENTAL ACTIVITIES:</u></b>					
Instruction	\$ 6,382,526	\$ 299,339	\$ 435,685	\$ -	\$ (5,647,502)
Support Services	3,393,514	-	65,908	251,080	(3,076,526)
Enterprise and Community Services	350,428	52,669	210,999	-	(86,760)
<b>Total Governmental Activities</b>	<b>\$ 10,654,906</b>	<b>\$ 352,008</b>	<b>\$ 712,592</b>	<b>\$ 251,080</b>	<b>\$ (9,339,226)</b>
 <b><u>GENERAL REVENUES:</u></b>					
Local Sources:					
Property Taxes, Levied for General Purposes					\$ 1,784,597
Property Taxes, Levied for Debt Service					614,960
Earnings on Investments					106,075
Unrestricted State and Local Revenue					91,942
Intermediate Sources					84,536
State School Fund for Education and Support Services					6,847,382
State Common School Fund					95,981
Federal Forest Fees for General Purposes					4
Subtotal - General Revenues					9,625,477
Special Items:					
Gain on Disposition of Assets					-
Change in Net Position					286,251
Net Position, July 1, 2018					1,038,562
<b>Net Position, June 30, 2019</b>					<b>\$ 1,324,812</b>

The accompanying notes to the basic financial statements are an integral part of this statement.

**BASIC FINANCIAL**  
**STATEMENTS**

**Governmental Fund**  
**Financial Statements**

**AMITY SCHOOL DISTRICT NO. 4J**

**BALANCE SHEET  
GOVERNMENTAL FUNDS**

**June 30, 2019**

	<u>General Fund #100</u>	<u>IDEA Grant Fund #200</u>	<u>Debt Service Fund #300</u>	<u>PERS Bond Debt Fund #302</u>	<u>Capital Improvement Fund #430</u>	<u>Other Govern- mental Funds</u>	<u>Total Govern- mental Funds</u>
<b><u>ASSETS:</u></b>							
Cash and Cash Equivalents	\$1,179,346	\$ -	\$ 56,594	\$ 646,039	\$ 351,324	\$ 808,489	\$ 3,041,792
Property Taxes Receivable	109,962	-	39,223	-	-	-	149,185
Accounts Receivable	51,702	43,342	-	-	-	32,315	127,359
Due From Other Funds	69,496	-	-	-	-	-	69,496
Inventory-Food, Supplies & Commodities	-	-	-	-	-	4,881	4,881
<b>Total Assets</b>	<b>\$1,410,506</b>	<b>\$ 43,342</b>	<b>\$ 95,817</b>	<b>\$ 646,039</b>	<b>\$ 351,324</b>	<b>\$ 845,685</b>	<b>\$ 3,392,713</b>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</u></b>							
<b>LIABILITIES:</b>							
Accounts Payable	\$ 68,938	\$ -	\$ -	\$ -	\$ -	\$ 579	\$ 69,517
Payroll Liabilities	515	-	-	-	-	-	515
Due to Other Funds	-	43,342	-	-	-	26,154	69,496
<b>Total Liabilities</b>	<b>69,453</b>	<b>43,342</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26,733</b>	<b>139,528</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>							
Unavailable Revenue - Property Taxes	81,592	-	29,320	-	-	-	110,912
<b>Total Deferred Inflows of Resources</b>	<b>81,592</b>	<b>-</b>	<b>29,320</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>110,912</b>
<b>FUND BALANCES:</b>							
Unspendable	-	-	-	-	-	4,881	4,881
Restricted for:							
Debt Service	-	-	66,497	646,039	-	-	712,536
Committed for:							
Capital Construction & Building Maintenance	-	-	-	-	351,324	-	351,324
Community Projects	-	-	-	-	-	35,314	35,314
Educational Programs	-	-	-	-	-	65,900	65,900
Employee Benefits Programs	-	-	-	-	-	113,512	113,512
Equipment Acquisition	-	-	-	-	-	375,444	375,444
Food Service Program	-	-	-	-	-	11,356	11,356
Student Body Activities	-	-	-	-	-	212,545	212,545
Unassigned	1,259,461	-	-	-	-	-	1,259,461
<b>Total Fund Balances</b>	<b>1,259,461</b>	<b>-</b>	<b>66,497</b>	<b>646,039</b>	<b>351,324</b>	<b>818,952</b>	<b>3,142,273</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$1,410,506</b>	<b>\$ 43,342</b>	<b>\$ 95,817</b>	<b>\$ 646,039</b>	<b>\$ 351,324</b>	<b>\$ 845,685</b>	<b>\$ 3,392,713</b>

The accompanying notes to the basic financial statements are an integral part of this statement.

# AMITY SCHOOL DISTRICT NO. 4J

## RECONCILIATION OF THE BALANCE SHEET GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

June 30, 2019

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<b>Total Fund Balances - Governmental Funds</b>		\$ 3,142,273
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Cost of assets	\$11,551,774	
Accumulated depreciation	<u>(6,365,741)</u>	
Net Value of Capital Assets		5,186,033
Property taxes receivable that will not be available to pay for current-period expenditures are deferred in the governmental funds.		110,912
Deferred inflows and outflows of pension and OPEB contributions and earnings are not reported in the governmental funds.		
Deferred Pension/OPEB Contributions	2,216,546	
Deferred Earnings on Pension/OPEB Assets	<u>(719,775)</u>	
Net Value of Deferrals		1,496,771
Amounts paid to Oregon Public Retirement System to reduce the unfunded pension obligation of the District are not financial resources and therefore are not capitalized as a prepaid expense in the governmental funds.		
Original prepaid amount	6,618,174	
Accumulated amortization	<u>(4,320,200)</u>	
Net Value of Prepaid Expense		2,297,974
Some liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
These liabilities consist of :		
Accrued Interest Payable	1,883	
Bonds Payable	6,587,422	
Net Pension Liability	3,988,966	
Net OPEB Obligations	<u>319,935</u>	
Total		<u>(10,949,599)</u>
<b>Net Position of Governmental Activities</b>		<b><u><u>\$ 1,324,812</u></u></b>

The accompanying notes to the basic financial statements are an integral part of this statement.

## AMITY SCHOOL DISTRICT NO. 4J

### STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

For the Fiscal Year Ended June 30, 2019

	General Fund #100	IDEA Grant Fund #200	Debt Service Fund #300	PERS Bond Debt Fund #302	Capital Improvement Fund #430	Other Govern- mental Funds	Total Govern- mental Funds
<b>REVENUES:</b>							
Taxes	\$ 1,807,078	\$ -	\$ 636,004	\$ -	\$ -	\$ -	\$ 2,443,082
Earnings on Investments	64,080	-	8,636	18,615	10,819	3,926	106,076
Fees and Charges	42,417	-	-	-	-	261,727	304,144
Miscellaneous Revenue	61,782	-	-	724,603	16,094	68,129	870,608
Intermediate Government Aid	86,809	-	-	-	-	-	86,809
State Aid	6,991,614	-	-	-	-	150,945	7,142,559
Federal Aid	4	168,383	-	-	-	336,540	504,927
<b>Total Revenues</b>	<b>9,053,784</b>	<b>168,383</b>	<b>644,640</b>	<b>743,218</b>	<b>26,913</b>	<b>821,267</b>	<b>11,458,205</b>
<b>EXPENDITURES:</b>							
Current:							
Instruction	5,222,042	164,975	-	-	-	441,007	5,828,024
Support Services	3,273,425	3,408	-	-	47,378	43,704	3,367,915
Enterprise and Community Services	-	-	-	-	-	337,400	337,400
Capital Outlay:							
Support Services	155,907	-	-	-	-	58,278	214,185
Facilities Acquisition and Construction	-	-	-	-	221,560	-	221,560
Debt Service	112,595	-	618,877	662,216	-	36,408	1,430,096
<b>Total Expenditures</b>	<b>8,763,969</b>	<b>168,383</b>	<b>618,877</b>	<b>662,216</b>	<b>268,938</b>	<b>916,797</b>	<b>11,399,180</b>
Excess (Deficiency) of Revenues Over Expenditures	289,815	-	25,763	81,002	(242,025)	(95,530)	59,025
<b>OTHER FINANCING SOURCES (USES):</b>							
Interfund Transfers In	-	-	-	-	35,000	120,000	155,000
Interfund Transfers Out	(155,000)	-	-	-	-	-	(155,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(155,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35,000</b>	<b>120,000</b>	<b>-</b>
Net Change in Fund Balance	134,815	-	25,763	81,002	(207,025)	24,470	59,025
Beginning Fund Balance	1,124,646	-	40,734	565,037	558,349	794,482	3,083,248
<b>Ending Fund Balance</b>	<b>\$ 1,259,461</b>	<b>\$ -</b>	<b>\$ 66,497</b>	<b>\$ 646,039</b>	<b>\$ 351,324</b>	<b>\$ 818,952</b>	<b>\$ 3,142,273</b>

The accompanying notes to the basic financial statements are an integral part of this statement.

# AMITY SCHOOL DISTRICT NO. 4J

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

### GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2019

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<b>Net Changes in Fund Balances - Total Governmental Funds</b>	\$	59,025
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense.		
Expenditures for capitalized assets	\$ 544,497	
Less current year depreciation	<u>(359,244)</u>	185,253
Some property tax revenues will not be collected for several months after the District's fiscal year end and are therefore not considered "available" revenues in the governmental funds, instead these funds are shown as deferred revenue.		
Deferred revenues increased by this amount this year.		(43,525)
Prepaid expenses were originally reported in the governmental funds as an expenditure. In the Statement of Activities the amount to be charged each year as an expense over the estimated expense incurred to pay the obligation is amortized, rather than expensed at the time of the prepayment.		
Amount of current year amortization - Pension obligation	<u>(255,331)</u>	(285,664)
Repayment of principal on long term debt and leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Retirement of principal is as follows:		
Bonds	<u>1,115,264</u>	1,150,210
Government funds report pension contributions as expenditures. However, in the Statement of Activities, pension expense and changes in deferred inflows and outflows related to the net pension asset/(liability) are recorded based upon an actuarial valuation of such activity.		
This is the net change in pension related items.		(844,621)
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
The activities consist of:		
Net increase/(decrease) in accrued interest expense	2,527	
Increase/(decrease) in accrued OPEB	51,777	
Increase/(decrease) in accrued vacation benefits	<u>11,268</u>	
		<u>65,572</u>
<b>Change in Net Position of Governmental Activities</b>	<b>\$</b>	<b><u>286,251</u></b>

The accompanying notes to the basic financial statements are an integral part of this statement.

**BASIC FINANCIAL**  
**STATEMENTS**

**Notes to the Basic**  
**Financial Statements**



**AMITY SCHOOL DISTRICT NO. 4J**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2019**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

The Amity School District No. 4J was organized under the provisions of Oregon Statutes pursuant to ORS Chapter 332 for the purpose of operating elementary and secondary schools. The District is government by a separately elected five-member Board of Directors who approve the administrative officials. The daily functioning of the District is under the supervision of the Superintendent. As required by generally accepted accounting principles, all activities of the District have been included in the basic financial statements.

The basic financial statements of Amity School District No. 4J has been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the District's accounting policies are described below.

**Reporting Entity**

In determining the financial reporting entity, the Amity School District No. 4J complies with Governmental Accounting Standards Board Statement 14 as amended, "The Financial Reporting Entity." The criteria for including organizations as component units within the District's reporting entity, include whether 1) the organization is legally separate (can sue and be sued in their own name); 2) the District holds the corporate powers of the organization; 3) the District appoints a voting majority of the organization's board; 4) the District is able to impose its will on the organization; 5) the organization has the potential to impose a financial benefit/burden on the District; and 6) there is fiscal dependency by the organization on the District. Based on the aforementioned criteria, the Amity School District No. 4J has no component units.

**Basis of Presentation**

*Government-wide Statements:* The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the overall District with most of the inter-fund activities removed to minimize the double counting of internal activities. Governmental activities include programs supported primarily by taxes, state school support payments, grants and other intergovernmental revenues. The District has no business type activities that rely, to a significant extent, on fees and charges for support. The District also reports no fiduciary activities.

The statement of activities demonstrates the degree to which direct expenses of a given function are offset by program revenues. Direct expenses are those that are specifically associated with a program of function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

**AMITY SCHOOL DISTRICT NO. 4J**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2019**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):**

**Basis of Presentation (Cont.)**

*Fund Financial Statements:* During the fiscal year, the District segregates transactions related to school district functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds.

The fund financial statements provide reports on the financial condition and results of operations for governmental activities. Major individual governmental funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental funds:

General Fund - The General Fund is the main operating fund of the District. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General Fund expenditures are categorized by "Instruction" which is the direct teaching of students or the interaction between teacher and students. "Support Services" covers all the support activities for students, teachers, and facilities. Major activities in support services are transportation, maintenance of facilities (i.e. heating, phones, electricity, cleaning,) administration, counseling for students, and technology support.

IDEA Grant Fund – This fund includes all resources received from federal IDEA grants passed through the Oregon Department of Education.

PERS Bond Debt Service Fund - Revenues accounted for in the PERS Bond Fund are charges to other funds and interest earned on investments. Expenditures accounted for in the PERS Bond Fund are the principal and interest payments on the PERS Bond.

Debt Service Fund – Revenues accounted for in the Debt Service Fund are from local property taxes levied to make general obligation bond payments, which are also accounted for in this fund according to the bond repayment schedule.

Capital Improvement Fund – Accounting for this fund is for the use of capital improvements.

**AMITY SCHOOL DISTRICT NO. 4J**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2019**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):**

**Measurement Focus/Basis of Accounting**

Measurement focus refers to what is being measured; basis of accounting refers to when transactions are recognized in the financial records and reported on the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized when the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or within sixty days after year end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt which are reported when due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

The revenues susceptible to accrual are property taxes, charges for services, interest income and intergovernmental revenues. All other governmental fund revenues are recognized when received, as they are deemed immaterial. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when the revenue recognition is met or when the District has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**Budgeting**

The District budgets all funds as required by state law. The District budgets for all funds on a modified accrual basis. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Total expenditures are controlled by annual appropriations at the following organizational levels: instruction, support services, community services, facilities acquisition and construction, and other expenditures. Appropriations lapse as of the fiscal year-end. A detailed budget document is required that contains more detailed information for the above-mentioned expenditure categories.

Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriations resolution. A supplemental budget may require hearings before the public, publications in newspapers, and approval by the District Board of Directors. Original and supplemental budgets may be modified by the use of appropriations transfers between the levels of control. Such transfers require approval by the District Board of Directors.

**AMITY SCHOOL DISTRICT NO. 4J**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2019**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):**

**Cash and Investments**

For purposes of the statement of cash flows, cash and cash equivalents include cash on hand, checking, savings and money market accounts and any short-term, highly liquid investments with initial maturity dates of three months or less.

The District has adopted an investment policy requiring compliance with Oregon statutes, which authorizes the District to invest in obligations of the United States, the agencies and instrumentalities of the United States and the State of Oregon, and numerous other investment instruments.

The District's investments may consist of time certificates of deposit, banker's acceptances, commercial paper, U.S. Government Agency securities, and the State of Oregon Treasurer's Local Government Investment Pool (LGIP). The District's investments are reported at fair value at year-end. Changes in the fair value of investments are recorded as investment earnings. The LGIP is stated at cost, which approximates fair value. Fair value of the LGIP is the same as the District's value in the pool shares.

The Oregon State Treasury administers the LGIP. It is an open-ended, non-load diversified portfolio offered to any agency, political subdivision or public corporation of the State that by law is made the custodian of, or has control of, any fund. The LGIP is included in the Oregon Short Term Fund (OSTF) which was established by the State Treasurer. In seeking to best serve local governments of Oregon, the Oregon legislature established the Oregon Short-Term Fund Board. The purpose of the Board is to advise the Oregon State Treasury in the management and investment options of the LGIP.

**Receivables**

Amounts due from individuals, organizations or other governmental units are recorded as receivables at year-end. These amounts include charges for services rendered, or for goods and material provided by the District. All receivables are expected to be collected. Accordingly, receivables are reported at the gross amount without an allowance for uncollectible accounts.

Receivables are also recognized for property taxes and intergovernmental grants. Property taxes receivable consist of uncollected taxes levied and payable at the end of the fiscal year. All taxes are considered collectible. Consequently, no allowance for uncollectible taxes has been established. In the governmental fund financial statements, property taxes not collected within sixty days of the end of the fiscal year are reported as a deferred inflow or resources.

Intergovernmental grant reimbursement and entitlement amounts for which all eligibility requirements imposed by the provider have been met, but which were not received by the fiscal year end, are reported as accounts receivable.

**AMITY SCHOOL DISTRICT NO. 4J**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2019**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):**

**Inventory**

Food and supply inventories in the Food Service Fund are valued at cost determined on the FIFO method. Commodities inventory in the Food Service Fund is valued at estimated fair market value. Inventory is treated as being expended when used rather than when purchased. Inventories of non-food service supplies are not considered significant. The District records the cost of non-food service supplies as expenses and expenditures when purchased rather than when used.

**Restricted Assets and Liabilities**

Assets with use restricted to future bond payments and the related liability, are segregated in the statements of net position.

**Capital Assets**

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost, or estimated cost when original cost is not available. Donated capital assets are valued at their estimated fair market value on the date received. Maintenance and repairs of capital assets are not capitalized, but rather are charged to expenditures in the governmental funds. The District does not possess any infrastructure. The capitalization threshold used by the District as recommended by the State of Oregon is \$5,000.

In the government-wide financial statements, all reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method over the estimated useful lives as follows:

<b><u>Asset Class</u></b>	<b><u>Estimated Years of Useful Lives</u></b>
Buildings	20-50
Building Improvements	20-50
Land Improvements	15-25
Vehicles	10
Equipment	5-10

In the governmental fund financial statements, fixed assets are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the fund financial statements.

**Compensated Absences and Accrued Liabilities:**

The liability for accrued vacation benefits reported in the government-wide statements consists of unpaid, accumulated annual vacation. The early retirement liability has been calculated using the accrual method for benefit amounts due to former employees who currently are receiving early-termination benefits. Early retirement benefits are available to a limited number of employees each year.

All payables and accrued liabilities are reported on the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full by current financial resources are reported as obligations of the funds.

**AMITY SCHOOL DISTRICT NO. 4J**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2019**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):**

**Deferred Inflows/Outflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has only one item that qualifies for reporting in this category, deferred pension contributions.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has only one type of item that qualifies for reporting in this category, deferred earnings on pension assets. In the governmental funds balance sheet, a different category of deferred inflow of resources, delinquent property tax revenue not available, is reported. Property taxes levied and considered receivable at the end of the fiscal year, but not collected within sixty days of the end of the fiscal year are reported in this category. These amounts are recognized as an inflow of resources (revenue) in the period that the amounts become available.

**Long-Term Debt**

All bonds, notes and capital leases payable are recognized in the government-wide financial statements as liabilities of the District. Amounts of the long-term debt due within the following fiscal year are included in the current liabilities section of the Statement of Net Position.

In the governmental fund financial statements, proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources. Principal and interest payments on long-term debt are recorded as debt service in the expenditure section of the statement and schedules.

**Equity Classifications**

*Government-wide Statements*

Equity is classified as net position, which represents the difference between assets, liabilities, and deferred accounts. Net position is displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantor, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**AMITY SCHOOL DISTRICT NO. 4J**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2019**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):**

Equity Classifications (Cont.)

*Governmental Fund Financial Statements*

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable: This classification includes amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- Restricted: This classification includes fund balance amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Committed: This classification includes fund balance amounts that are constrained for specific purpose that are internally imposed by the government through resolution of the highest level of decision-making authority, the District Council, and does not lapse at year-end.
- Assigned: This classification includes fund balance amounts that are intended to be used for specific purposes that are neither restricted nor committed. This intent can be expressed by the District Council or through the District Council delegating this responsibility to selected staff members or through the budgetary process.
- Unassigned: This classification includes positive fund balance within the General Fund which has not been classified within the above-mentioned categories, and negative fund balances of other governmental funds.

The District's policy is to use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of the constrained fund balances.

Property Taxes

Real and personal property taxes attach as an enforceable lien on property as of January 1. All taxes are levied as of the lien date and are payable in three installments on November 15, February 15, and May 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

Uncollected property taxes are recorded on the statement of net position. Uncollected taxes are deemed to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectable taxes has been established. All property taxes receivable are due from property owners within the District.

**AMITY SCHOOL DISTRICT NO. 4J**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2019**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):**

**Inter-Fund Transactions**

Quasi-external transactions are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other inter-fund transactions, except quasi-external transactions and reimbursements, are reported as transfers in the fund financial statements. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other inter-fund transfers are reported as operating transfers. For the purposes of the Statement of Activities, all inter-fund transfers between individual governmental funds have been eliminated.

**Use of Estimates**

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amount of assets and liabilities as well as disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement Fund (OPERF) and the Oregon Public Service Retirement Plan (OPSRP) and additions to/deductions from OPERF's and OPSRP's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.



**AMITY SCHOOL DISTRICT NO. 4J**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2019**

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**CASH AND INVESTMENTS:**

For discussion of deposit and investment policies and other related information, see Cash and Investments note on page 22.

The District follows the practice of aggregating the cash assets of various funds to maximize cash management efficiency and returns. Various restrictions on deposits and investments are imposed by state statutes. These restrictions are summarized at Cash and Investments note on page 22.

Investments, including amounts held in pool cash and investments are stated at fair value. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, investments with a remaining maturity of more than one year at the time of purchase are stated at fair value. Fair value is determined at the quoted market prices, if available; otherwise, the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than a forced liquidation sale. Investments in the State of Oregon Local Government Investment Pool (LGIP) are stated at fair value.

Deposits - All cash is deposited in compliance with Oregon statutes. The insurance and collateral requirements for deposits are established by banking regulations and Oregon law. FDIC insurance of \$250,000 applies to the deposits in each depository. ORS 295 governs the collateralization of Oregon public funds and provides the statutory requirements for the Oregon Public Funds Collateralization Program (PFCP). Where balances continually exceed \$250,000, ORS 295 requires the depositor to verify that deposit accounts are only maintained at financial institutions on the list of qualified depositories found on the state treasurer's website.

*Custodial Credit Risk for Deposits* - Custodial credit risk for deposits exists when, in the event of a depository failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk.

As of June 30, 2019, the reported amount of the District's deposits was \$410,018, the bank balance was \$795,940. Of the bank balance, the entire amount was insured by the FDIC or covered by the collateral held in a multiple financial institutions collateral pool administered by the Oregon State Treasurer.

Investments - Oregon statutes authorize the District to invest in obligations of the U.S. Treasury and U.S. agencies, banker's acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the Local Governmental Investment Pool. The District has no credit risk policy or investment policy that would further limit its investment choices.

*Credit Risk* - Credit risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to fulfill its obligations. As of June 30, 2019, the District's investment in the Oregon State Treasurer's Local Government Investment Pool (LGIP) was unrated.

**AMITY SCHOOL DISTRICT NO. 4J**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2019**

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**CASH AND INVESTMENTS (Cont.):**

At June 30, 2019, the District's investments in financial institutions are as follows:

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Credit Rating</u>
Oregon State Treasurer's Local Government Investment Pool (LGIP)	\$ 2,624,563	N/A
PERS Bond	7,212	
Total Investments	<u>\$ 2,631,774</u>	

*Concentration of Credit Risk* - An increased risk of loss occurs as more investments are acquired from one issuer. This results in a *concentration of credit risk*. The District places no limit on the amount that may be invested in any one issuer. More than 5 percent of the District's investments are in the Oregon State Treasurer's Local Government Investment Pool (LGIP). This investment is 99.7% of the District's total investments.

**AMITY SCHOOL DISTRICT NO. 4J**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2019**

**CAPITAL ASSETS:**

The following is a summary of capital asset activity for the fiscal year ended June 30, 2019:

Governmental Activities	Beginning Balances	Additions	Deletions	Ending Balances
<b>Assets not being depreciated:</b>				
Land	\$ 296,099	\$ -	\$ -	\$ 296,099
Construction in Progress	364,842	218,578	-	583,420
Total assets not being depreciated	660,941	218,578	-	879,519
<b>Assets being depreciated:</b>				
Land Improvement	770,798	61,661	-	832,459
Building and Building Improvement	8,660,589	205,980	-	8,866,569
Machinery and Equipment	914,949	58,278	-	973,227
Total Depreciable Assets	10,346,336	325,919	-	10,672,255
<b>Less: Accumulated Depreciation</b>				
Land Improvement	609,529	29,247	-	638,776
Building and Building Improvement	4,740,635	275,211	-	5,015,846
Machinery and Equipment	656,333	54,787	-	711,119
Total Accumulated Depreciation	6,006,497	359,244	-	6,365,741
Net Value of Capital Assets Being Depreciated	4,339,839	(33,325)	-	4,306,514
Total Governmental Activities -- Net Value of Capital Assets	<u>\$ 5,000,780</u>	<u>\$ 185,253</u>	<u>\$ -</u>	<u>\$ 5,186,033</u>

**Depreciation expense was charged to governmental functions as follows:**

Instruction	\$ 318,980
Support Services	35,071
Enterprise and Community Services	5,193
Total Depreciation Expense	<u>\$ 359,244</u>

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**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2019**

**LONG-TERM DEBT:**

A summary of debt transactions for the year ended June 30, 2018 is as follows:

On March 19, 2015, the District issued General Obligation Refunding Bond, Series 2015 for refunding of GO Refunding Bonds, Series 2005. The bonds are held by Heritage Bank. The original balance of the 2015 refunding bonds was \$4,076,000, with a fixed interest rate of 1.78%.

April 21, 2003, the District issued Oregon School Boards Association Limited Tax Pension Obligation Bonds, Series 2003. The bonds are held by Wells Fargo Corporate Trust Services. The original balance was \$6,618,174 and has a variable interest rate on the bonds varying from 1.5% to 6.27%. Interest payments are due the 30th of June and December of each year with a principal payment due with the June payment.

Qualified Zone Academy Bond (QZAB), held by Bank of America- USA. The original balance of the bond is \$1,290,000, dated February 1, 2004, for funding qualified building improvements and equipment purchases. Interest costs are subsidized by the federal government. Annual payments of \$69,261 were placed into a sinking fund maintained by a paying agent. Earnings of the sinking fund reduce total payments made to retire bonds. The debt was paid to bondholders at maturity in February 2019 from the sinking fund. Interest earned by the sinking fund that reduced the required debt payoff was recognized as capital contribution on the Statement of Activities.

Qualified Zone Academy Bond (QZAB), original balance of \$650,000, dated April 6, 2016, for the purchase of equipment and improvements to real property. Deposit amounts of \$43,334 per year are required, with the first deposit due April 6, 2017. Bond interest is computed at 0.00%.

On October 15, 2013, the District entered into a Bus Lease/ purchase agreement with Santander Bank, NA, for the purchase of 3 busses. The total amount of the lease was \$237,820. The lease carries an interest rate of 2.30% per annum.

The following is a schedule of transactions during the year:

	Outstanding Balance July 1, 2018	Principal Paid	Interest Paid	Outstanding Balance June 30, 2019	Due Within One Year
<b>Leases Payable:</b>					
Bus Leases with Santander Bank, NA.	\$ 69,892	\$ 34,946	\$ 1,462	\$ 34,946	\$ 34,946
<b>Total Leases Payable</b>	<b>\$ 69,892</b>	<b>\$ 34,946</b>	<b>\$ 1,462</b>	<b>\$ 34,946</b>	<b>\$ 34,946</b>
<b>Bonds Payable:</b>					
GO Refunding Bond, Series 2015	\$ 2,465,000	\$ 575,000	\$ 43,877	\$ 1,890,000	\$ 600,000
OSBA Limited Tax Pension Bond, Series 201	4,354,011	176,587	485,627	4,177,424	176,485
QZAB held by Bank of America	320,343	320,343	-	-	-
QZAB held by Columbia Bank	563,332	43,334	-	519,998	43,334
<b>Total Bonds Payable</b>	<b>7,702,686</b>	<b>1,115,264</b>	<b>529,504</b>	<b>6,587,422</b>	<b>819,819</b>
<b>Total Long-Term Debt</b>	<b>\$ 7,772,578</b>	<b>\$1,150,210</b>	<b>\$ 530,966</b>	<b>\$ 6,622,368</b>	<b>\$ 854,765</b>

**AMITY SCHOOL DISTRICT NO. 4J**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2019**

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**LONG-TERM DEBT (Cont.):**

The future debt service requirements on the above debt are as follows:

<b>Leases Payable:</b>	<u>Due Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
	2020	\$ 34,946	\$ 1,462	\$ 36,408
	Total	<u>\$ 34,946</u>	<u>\$ 1,462</u>	<u>\$ 36,408</u>
<b>Bonds Payable:</b>	<u>Due Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
	2020	\$ 819,819	\$ 554,373	\$ 1,374,192
	2021	847,254	576,258	1,423,512
	2022	876,428	600,870	1,477,298
	2023	217,259	628,290	845,549
	2024	688,334	197,216	885,550
	2025 - 2029	3,051,670	379,992	3,431,662
	Total	<u>\$ 6,587,422</u>	<u>\$ 2,936,999</u>	<u>\$ 9,524,421</u>

For further detail on debt service, see the ‘Schedule of Long-Term Debt Transactions’ and ‘Schedule of Future Requirements for Retirement of Long Term’ in the Supplemental Data section of this report.

**AMITY SCHOOL DISTRICT NO. 4J**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2019**

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**PENSION PLAN:**

Name of Pension Plan

The Oregon Public Employees Retirement System (PERS) consists of a cost-sharing multiple-employer defined benefit pension plan.

Description of Benefit Terms

Plan Benefits

All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A.

**1. Tier One/Tier Two Retirement Benefit (Chapter 238).** Tier One/Tier Two Retirement Benefit plan is closed to new members hired on or after August 29, 2003.

*Pension Benefits*

The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

*Death Benefits*

Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

- the member was employed by a PERS employer at the time of death,
- the member died within 120 days after termination of PERS-covered employment,
- the member died as a result of injury sustained while employed in a PERS-covered job, or
- the member was on an official leave of absence from a PERS-covered job at the time of death.

*Disability Benefits*

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

**AMITY SCHOOL DISTRICT NO. 4J**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2019**

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**PENSION PLAN (Cont.):**

*Benefit Changes After Retirement*

Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments.

Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2019 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

**2. OPSRP Defined Benefit Pension Program (OPSRP DB).** The Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003.

*Pension Benefits*

This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

A member of the OPSRP Pension Program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

*Death Benefits*

Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

*Disability Benefits*

A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

*Benefit Changes After Retirement*

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2019 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

**3. IAP Plan Description:**

**OPSRP Individual Account Program (OPSRP IAP)**

*Pension Benefits*

An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

**AMITY SCHOOL DISTRICT NO. 4J**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2019**

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**PENSION PLAN (Cont.):**

Upon retirement, a member of the OPSRP Individual Account Program (IAP), may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

*Death Benefits*

Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

*Recordkeeping*

PERS contracts with VOYA Financial to maintain IAP participant records.

Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans.

Employer contribution rates during the period were based on the December 31, 2015 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2019. The state of Oregon and certain schools, community colleges, and political subdivisions have made lump sum payments to establish side accounts, and their rates have been reduced.

Employer contributions for the year ended June 30, 2019 were excluding amounts to fund employer specific liabilities.

Pension Plan CAFR

Oregon PERS produces an independently audited CAFR which can be found at:  
[http://www.oregon.gov/pers/Pages/section/financial\\_reports/financials.aspx](http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx)

Actuarial Valuations

The employer contribution rates effective July 1, 2019, through June 30, 2019, were set using the projected unit credit actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years. For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.



**AMITY SCHOOL DISTRICT NO. 4J**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2019**

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**PENSION PLAN (Cont.):**

Actuarial Methods and Assumptions Used in Developing Total Pension Liability

Valuation Date	December 31, 2016
Measurement Date	June 30, 2018
Experience Study	2016, published July 26, 2017
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Inflation rate	2.50 percent
Long-term expected rate of return	7.50 percent
Discount rate	7.20 percent
Projected salary increases	3.50 percent
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with Moro decision; blend based on service.
Mortality	<p>Healthy retirees and beneficiaries:  RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p>Active members:  RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees:  RP-2014 Disabled retirees, sex-distinct, generational</p>

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2016 Experience Study which reviewed experience for the four-year period ending on July 26, 2016.

*Discount Rate*

The discount rate used to measure the total pension liability was 7.20 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

**AMITY SCHOOL DISTRICT NO. 4J**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**PENSION PLAN (Cont.):**

*Depletion Date Projection*

GASB 68 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 68 will often require that the actuary perform complex projections of future benefit payments and pension plan investments. GASB 68 (paragraph 67) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for PERS:

- PERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 68 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, it is our independent actuary's opinion that the detailed depletion date projections outlined in GASB 68 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

*Assumed Asset Allocation*

<u>Asset Class/Strategy</u>	<u>OIC Policy Range</u>	<u>OIC Target Allocation</u>	<u>Asset Class/Strategy</u>	<u>Actual Allocation</u>
Cash	0.0% - 3.0%	0.0%	Cash	5.2%
Debt Securities	15.0% - 25.0%	20.0%	Debt Securities	18.9%
Public Equity	32.5% - 42.5%	37.5%	Public Equity	36.7%
Real estate	9.5% - 15.5%	12.5%	Real estate	10.1%
Private Equity	13.5% - 21.5%	17.5%	Private Equity	19.7%
Alternative Equity	0.0% - 12.5%	12.5%	Alternative Equity	7.3%
Opportunity Portfolio	0.0% - 3.0%	0.0%	Opportunity Portfolio	2.1%
Total		<u>100%</u>	Total	<u>100%</u>

**AMITY SCHOOL DISTRICT NO. 4J**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**PENSION PLAN (Cont.):**

*Long-Term Expected Rate of Return*

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2015 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below.

<u>Asset Class</u>	<u>Target Allocation*</u>	<u>Annual Arithmetic Mean</u>	<u>Compound Annual (Geometric) Return</u>	<u>Annual Standard Deviation</u>
Core Fixed Income	8.00%	3.59%	3.49%	4.55%
Short-Term Bonds	8.00%	3.42%	3.38%	2.70%
Bank/Leveraged Loans	3.00%	5.34%	5.09%	7.50%
High Yield Bonds	1.00%	6.90%	6.45%	10.00%
Large/Mid Cap US Equities	15.75%	7.45%	6.30%	16.25%
Small Cap US Equities	1.31%	8.49%	6.69%	20.55%
Micro Cap US Equities	1.31%	9.01%	6.80%	22.90%
Developed Foreign Equities	13.13%	8.21%	6.71%	18.70%
Emerging Foreign Equities	4.13%	10.53%	7.45%	27.35%
Non-US Small Cap Equities	1.88%	8.67%	7.01%	19.75%
Private Equity	17.50%	11.45%	7.82%	30.00%
Real Estate (Property)	10.00%	6.15%	5.51%	12.00%
Real Estate (REITS)	2.50%	8.26%	6.37%	21.00%
Hedge Fund of Funds - Diversified	2.50%	4.36%	4.09%	7.80%
Hedge Fund - Event-driven	0.63%	6.21%	5.86%	8.90%
Timber	1.88%	6.37%	5.62%	13.00%
Farmland	1.88%	6.90%	6.15%	13.00%
Infrastructure	3.75%	7.54%	6.60%	14.65%
Commodities	1.88%	5.43%	3.84%	18.95%
<b>Assumed Inflation - Mean</b>			<b>2.50%</b>	<b>1.85%</b>

\* Based on the OIC Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund, revised as of June 7, 2017.

**AMITY SCHOOL DISTRICT NO. 4J**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2019**

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**PENSION PLAN (Cont.):**

Sensitivity Analysis

The following presents the employer's proportionate share of the net pension liability calculated using the discount rate of 7.20 percent, as well as what the employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease	Discount Rate	1% Increase
	6.50%	7.50%	8.50%
Employer's proportionate share of the net pension liability	\$ 6,666,316	\$ 3,988,966	\$ 1,779,033

Changes in Assumptions

A summary of key changes implemented since the December 31, 2016 valuation are described briefly below. Additional detail and a comprehensive list of changes in methods and assumptions can be found in the 2016 Experience Study for the System, which was published on July 26, 2016 and can be found at:

<https://www.oregon.gov/pers/Documents/2016-Exp-Study.pdf>

*Changes in Actuarial Methods and Allocation Procedures*

There were no changes to actuarial methods and procedures since the December 31, 2016 valuation.

*Changes in Economic Assumptions*

There were no changes to economic assumptions since the December 31, 2016 valuation.

*Changes in Demographic Assumptions*

There were no changes to economic assumptions since the December 31, 2016 valuation.

*Changes in Benefit Terms and Assumptions*

**Benefit Terms:** The Oregon Supreme Court decision in *Moro v. State of Oregon*, issued on April 30, 2015, reversed a significant portion of the reductions the 2013 Oregon Legislature made to future System Cost of Living Adjustments (COLA) through Senate Bills 822 and 861. This reversal increased the total pension liability as of June 30, 2015 compared to June 30, 2014 total pension liability.

**Assumptions:** The PERS Board adopted assumption changes that were used to measure the June 30, 2016 total pension liability. The changes included the lowering of the long-term expected rate of return to 7.50 percent and lowering of the assumed inflation to 2.50 percent. For June 30, 2018, the long-term expected rate of return was lowered to 7.20 percent. In addition, the healthy mortality assumption was changed to reflect an updated mortality improvement scale for all groups, and assumptions were updated for merit increases, unused sick leave, and vacation pay were updated.

**AMITY SCHOOL DISTRICT NO. 4J**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2019**

**PENSION PLAN (Cont.):**

**Mortality Rates**

A summary of the current assumed mortality rates and recommended changes is shown below:

<b>Assumption</b>	<b>December 31, 2015 Valuation</b>	<b>Recommended December 31, 2016 and 2017 Valuations</b>
<b>Healthy Annuitant Mortality</b>	<b>RP-2000 Generational with Scale BB, Combined Active/Healthy Annuitant, Sex Distinct</b>	<b>RP-2014 Healthy Annuitant, Sex Distinct, Generational Projection Unisex Social Security Data Scale</b>
School District male	No collar, set back 24 months	White collar, set back 12 months
Other General Service male (and male beneficiary)	Blended 25% blue collar/75% white collar, set back 12 months	Blended 50% blue collar/50% white collar, set back 12 months
Police & Fire male	Blended 25% blue collar/75% white collar, set back 12 months	Blended 50% blue collar/50% white collar, set back 12 months
School District female	No collar, set back 24 months	White collar, set back 12 months
Other female (and female beneficiary)	Blended 25% blue collar/75% white collar, no set back	Blended 50% blue collar/50% white collar, no set back
<b>Disabled Retiree Mortality</b>	<b>RP-2000 Generational with Scale BB, Disabled, No Collar, Sex distinct</b>	<b>RP-2014 Disabled Retiree, Sex Distinct, Generational Projection with Unisex Social Security Data</b>
Male	70% of Disabled table, but not less than corresponding healthy annuitant rates	No collar adjustment, no set back
Female	95% of Disabled table, but not less than corresponding healthy annuitant rates	No collar adjustment, no set back
<b>Non-Annuitant Mortality</b>	<b>Fixed Percentage of Healthy Annuitant Mortality</b>	<b>RP-2014 Employee, Sex Distinct, Generational Projection with Unisex Social Security Data Scale</b>
School District male	60%	Same collar and set back as Healthy Annuitant assumption
Other General Service male	75%	Same collar and set back as Healthy Annuitant assumption
Police & Fire male	75%	Same collar and set back as Healthy Annuitant assumption
School District female	55%	Same collar and set back as Healthy Annuitant assumption
Other female	60%	Same collar and set back as Healthy Annuitant assumption

**AMITY SCHOOL DISTRICT NO. 4J**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2019**

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**PENSION PLAN (Cont.):**

Changes Subsequent to the Measurement Date

There were no changes subsequent to the measurement date that we are aware of.

*Deferred Items*

Deferred items are calculated at the system-wide level and are allocated to employers based on their proportionate share. For the measurement period ending June 30, 2018, employers will report the following deferred items:

- A difference between expected and actual experience, which is being amortized over 5.4 years, the remaining service lives of all plan participants, including retirees. One year of this amortization is included in the employer's total pension expense for the measurement period.
- Changes in employer proportion since the prior measurement date, which is being amortized over 5.4 years, the remaining service lives of all plan participants, including retirees. One year of this amortization is included in the employer's total pension expense for the measurement period.
- A Net difference between projected and actual earnings which is being amortized over a closed five-year period. One year's amortization is being recognized in the employer's total pension expense for the measurement period.

Employer Contributions

PERS includes accrued contributions when due pursuant to legal requirements, as of June 30 in its Statement of Changes in Fiduciary Net Position. These are normally included in the employer statements cut off as of the fifth of the following month. PERS does not try to accrue contributions based on pay date.

Beginning with fiscal year 2016, PERS will be able to report cash contributions and UAL side account amortization by employer, and will publish this information on the PERS Website. Prior to fiscal year 2016, contributions to the OPSRP Defined Benefit plan were not accounted for by employer, as all employers were pooled for actuarial purposes.

Elements of Changes in Net Position

This information can be found in the Schedule of Changes in Net Pension Liability found on page 74, of the June 30, 2018 PERS CAFR.

*Pension Liabilities/(Assets), Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions*

At June 30, 2019, the employer reported a liability of \$3,988,966 for its proportionate share of the net pension liability. The net pension liability/(asset) was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on a projection of the employer's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

**AMITY SCHOOL DISTRICT NO. 4J**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2019**

**PENSION PLAN (Cont.):**

At June 30, 2018, the employer's proportion was 0.02633210%.

For the year ended June 30, 2019, the employer recognized pension expense of \$866,201. At June 30, 2019, the employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 135,693	\$ -
Changes of assumptions	927,427	-
Net difference between projected and actual earnings on investments	-	177,133
Changes in proportionate share	720,372	-
Differences between employer contributions and employer's proportionate share of system contributions	-	515,386
(prior to post-measurement date contributions)	\$ 1,783,492	\$ 692,519
Post-measurement date contributions	385,751	N/A
Total Deferred Outflow/(Inflow) of Resources	\$ 2,169,243	\$ 692,519
Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions		1,090,973

\$1,090,973 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense/(income) as follows:

Employer subsequent fiscal years	Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)
1st Fiscal Year	\$ 592,269
2nd Fiscal Year	450,372
3rd Fiscal Year	(13,724)
4th Fiscal Year	40,549
5th Fiscal Year	21,509
Thereafter	-
Total	\$ 1,090,976

**AMITY SCHOOL DISTRICT NO. 4J**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2019**

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**OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA:**

*Oregon Public Employees Retirement Systems' (OPERS) Retiree Health Insurance Account (RHIA)*

**Plan Description**

The District contributes to the Oregon Public Employees Retirement Systems' (OPERS) Retiree Health Insurance Account (RHIA), a cost-sharing multiple-employer defined benefit post-employment healthcare plan administered by the Oregon Public Employees Retirement Board (OPERB). The plan, which was established under Oregon Revised Statutes 238.420, provides a payment of up to \$60 per month towards the costs of health insurance for eligible PERS retirees. RHIA post-employment benefits are set by state statute. The plan was closed to new entrants hired on or after August 29, 2003.

To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from PERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

A comprehensive annual financial report of the funds administered by the OPERB may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, OR 97281-3700, by calling (503) 598-7377, or by accessing the PERS web site at <http://oregon.gov/PERS/>.

**Funding Policy**

Participating employers are contractually required to contribute at a rate assessed bi-annually by the OPERB, currently 0.50% of annual covered PERS payroll and 0.43% for OPSRP payroll. The OPERB sets the employer contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 75. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years.

**Contributions**

The District's contributions to PERS' RHIA for the years ended June 30, 2019, 2018 and 2017 were \$22,365, \$17,619 and \$19,539 respectively which equaled the required contributions for the year.

**Actuarial Methods and Assumptions Used in Developing Total Pension Liability**

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS Retirement Health Insurance Account Cost Sharing Multiple Employer Other Postemployment Benefit (OPEB) Plan Schedules of Employer Allocations and OPEB Amounts by Employer report, as of and for the Year Ended June 30, 2018. That independently audited report was dated April 11, 2018 and can be found at:

[http://www.oregon.gov/pers/EMP/Documents/GASB/2018/GASB\\_75\\_06.30.2017.pdf](http://www.oregon.gov/pers/EMP/Documents/GASB/2018/GASB_75_06.30.2017.pdf)



**AMITY SCHOOL DISTRICT NO. 4J**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2019**

**OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA (Cont.):**

Actuarial Methods and Assumptions - OPEB Plans - RHIA	
Valuation Date	December 31, 2016
Measurement Date	June 30, 2018
Experience Study	2016, published July 26, 2017
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Inflation rate	2.50 percent
Long-term expected rate of return	7.20 percent
Discount rate	7.20 percent
Projected salary increases	3.50 percent
Retiree healthcare participation	Healthy retirees: 38%; Disabled retirees: 20%
Healthcare cost trend rate	Not applicable
Mortality	<p>Healthy retirees and beneficiaries:  RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation.</p> <p>Active members:  Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation.</p> <p>Disabled retirees:  Mortality rates are a percentage (70% for males, 95% for females) of the RP-2000 Sex-distinct, generational per Scale BB, disabled mortality table.</p>

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2016 Experience Study which is reviewed for the four-year period ending December 31, 2016.

**Discount Rate**

The discount rate used to measure the total OPEB liability was 7.20 percent. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

**AMITY SCHOOL DISTRICT NO. 4J**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2019**

**OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA (Cont.):**

**Long-Term Expected Rate of Return**

To develop an analytical basis for the selection of the long term expected rate of return assumption, in July 2015 the PERS Board reviewed long term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Milliman's assumptions for each of the asset classes in which the plan was invested at that time are based on the OIC long term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. For more information on the Plan's portfolio, assumed asset allocation, and the long-term expected rate of return for each major class, calculated using both arithmetic and geometric means, see Pension Plan note disclosure above or the PERS' audited financial statements at:

[http://www.oregon.gov/pers/docs/financial\\_reports/2017\\_cafr.pdf](http://www.oregon.gov/pers/docs/financial_reports/2017_cafr.pdf)

**Sensitivity Analysis**

The following presents the employer's proportionate share of the net OPEB liability/(asset) calculated using the discount rate of 7.20 percent, as well as what the employer's proportionate share of the OPEB liability/(asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease	Discount Rate	1% Increase
	6.20%	7.20%	8.20%
Employer's proportionate share of the net OPEB liability	\$ (23,650)	\$ (40,619)	\$ (55,062)

**OPEB Liabilities/(Assets), OPEB Expense, and Deferred Outflows and Inflows of Resources Related to OPEB**

At June 30, 2019, the District reported a net OPEB liability/(asset) of -\$40,619 for its proportionate share of the net OPEB liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2018, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2015. Consistent with GASB Statement No. 75, paragraph 59(a), The District's proportion of the net OPEB liability/(asset) is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement date of June 30, 2018, the District's proportion was 0.03638783%. OPEB expense/(income) for the year ended June 30, 2019 was -\$3,874

**AMITY SCHOOL DISTRICT NO. 4J**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2019**

**OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA (Cont.):**

At June 30, 2019, the employer reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 2,302
Changes of assumptions	-	129
investments	-	8,757
Changes in proportionate share	335	354
Differences between employer contributions and employer's proportionate share of system contributions (prior to post-measurement date contributions)	-	-
Post-measurement date contributions	22,365	N/A
Total Deferred Outflow/(Inflow) of Resources	\$ 22,700	\$ 11,542
Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions		(11,207)

\$ 11,207 reported as deferred inflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense/(income) as follows:

Employer subsequent fiscal years	Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)
1st Fiscal Year	\$ (3,748)
2nd Fiscal Year	(3,686)
3rd Fiscal Year	(2,903)
4th Fiscal Year	(871)
Total	\$ (11,207)

**Changes Subsequent to the Measurement Date**

At its July 28, 2017 meeting, the PERS Board lowered the assumed rate to 7.2 percent. For member transactions, this rate will take effect January 1, 2018. The current assumed rate is 7.5 percent and has been in effect for member transactions since January 1, 2016.

**AMITY SCHOOL DISTRICT NO. 4J**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2019**

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**OTHER POST-EMPLOYMENT BENEFITS (OPEB) OEGB:**

*OEGB Health Insurance Subsidy*

The OEGB net OPEB liability is reported only as an estimate for the current year financial reporting. No actuarial report was obtained for the current fiscal year. Therefore, the amounts reported on the Statement of Net Position for deferred items and the liability are estimated based on a similar-sized district for the current fiscal year.

Plan Description

The District operates a single employer retiree benefit plan through the Oregon Educators Benefit Board that provides post-employment health, dental vision and life insurance benefits to eligible employees and their spouses. The District is required by Oregon Revised Statutes 243.303 to provide retirees and their dependents with group health insurance from the date of retirement to age 65 at the same rate provided to current employees. Premiums for retirees are tiered and based upon the premium rates available to active employees. The retiree is responsible for any portion of the premiums not paid by the Employer. The implicit employer subsidy is measured as the expected health care cost per retiree and dependent, less the gross premiums charged by the insurance carrier for that coverage. The subsidy is only measured for retirees and spouses younger than age 65, at which point such retirees and spouses typically become eligible for Medicare. GASB Statement 75 is applicable to the District due only to this implicit rate subsidy. This “plan” is not a stand-alone plan, and therefore, does not issue its own financial statements.

Funding Policy

When the District has retirees participating in their health insurance plan, it will, when applicable, collect insurance premiums from all retirees each month and deposit them. The District will then pay healthcare insurance premiums for all retirees at the applicable rate for each family classification.

**AMITY SCHOOL DISTRICT NO. 4J**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2019**

**OTHER POST-EMPLOYMENT BENEFITS (OPEB) OEBB (Cont.):**

Actuarial Methods and Assumptions - The District engaged an actuary to perform an evaluation as of July 1, 2017 using entry age normal Actuarial Cost Method. The assumptions are generally based upon those used for valuing pension benefits under Oregon PERS, and were developed in consultation with Milliman. The total OPEB liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below, and was then projected forward to the measurement date:

<b>Discount Rate</b>	2.85%	3.58%	3.87%
<b>Other Key Actuarial Assumptions and Methods</b>			
Valuation date	July 1, 2017	July 1, 2017	July 1, 2017
Measurement date	June 30, 2016	June 30, 2017	June 30, 2018
Inflation	2.50%	2.50%	2.50%
Salary increases	3.50%	3.50%	3.50%
Withdrawal, retirement, and mortality rates	12/31/2016 Oregon PERS valuation 50% of eligible employees	12/31/2016 Oregon PERS valuation 50% of eligible employees	12/31/2016 Oregon PERS valuation 50% of eligible employees
Election and Lapse Rates	60% of male members and 35% of females members will elect spouse coverage 5% annual lapse rate	60% of male members and 35% of females members will elect spouse coverage 5% annual lapse rate	60% of male members and 35% of females members will elect spouse coverage 5% annual lapse rate
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal

In order to apply the entry age normal actuarial cost method, Projected Benefit Payments are determined for each active employee and retiree. These Projected Benefit Payments are the net benefits estimated to be payable in all future years. The net benefits for a particular year are the difference between the total cost of benefits and the portion of the benefits paid by the retirees in that year. The Present Value of Benefits is then allocated over the service of each active employee from their date of hire to their expected retirement age, as a level percent of the employee's pay, as required under GASB 75. This level percent multiplied by expected pay is referred to as the Service Cost, and is that portion of the Present Value of Benefits attributable to an employee's service in a given year. The Service Cost equals \$0 for retirees. For purposes of projecting benefits prior to the valuation date as required by the actuarial cost method, we assumed a health cost trend equal to the ultimate health cost trend rate. The Total OPEB Liability is the portion of the Present Value of Benefits that is attributable to employee service prior to the valuation date. For retirees, the Total OPEB Liability equals the Present Value of Benefits.

*Discount Rate*

The Discount Rate is a single rate of return that is applied to the Projected Benefit Payments in order to calculate the Present Value of Benefits. Under GASB 75, for plans without assets, the discount rate is equal to a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

**AMITY SCHOOL DISTRICT NO. 4J**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2019**

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**OTHER POST-EMPLOYMENT BENEFITS (OPEB) OEBB (Cont.):**

Mortality rates were based on the RP-2014 Employee and Healthy Annuitant tables, White collar, sex distinct for members and dependents. For members only, a one-year setback is applied. Future mortality improvement is not projected as it would be immaterial to the valuation.

Demographic assumptions regarding retirement, mortality, and turnover are based on Oregon PERS valuation assumptions as of December 31, 2016. Election rate and lapse assumptions are based on experience implied by valuation data for this and other Oregon public employers.

**CONTINGENT LIABILITIES:**

Amounts received or receivable from grantor agencies are subject to review and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amount, if any, to be immaterial. The District is not currently named as a defendant in any pending or threatened litigation.

**RISK:**

To reduce the risk of loss from liability, fire, theft, accident, medical costs, and error and omissions, the District maintains various commercial insurance policies.

The District came under the State Unemployment Act as of July 1, 1974. The District has elected to pay State Unemployment insurance to the State to pay for any claims paid to former employees. Any reimbursements are paid by the fund incurring the liability to the Employment Division of the State of Oregon. The estimated liability for unpaid claims is calculated as the present value of expected but unpaid claims based on historical experience and going concern assessments. The District's estimated liability for unpaid unemployment claims is immaterial. Therefore, no liability amount appears on the District's statement of net position or balance sheet.

Certain employees have health care coverage provided by a third-party insurance company. Premiums to the insurance company are paid by employer contributions for eligible employees.

There have been no significant reductions in coverage from the prior years and settlements have not exceeded insurance coverage in the past three years.

**AMITY SCHOOL DISTRICT NO. 4J**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2019**

**INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS:**

The interfund balances between the general fund and special revenue funds represent payments made by the general fund on behalf of the special revenue funds in relation to grant reimbursements. All balances are expected to be repaid within one year.

Interfund balances at June 30, 2019 consisted of the following individual fund receivables and payables:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund #100	\$ 69,496	\$ -
Special Revenue Funds:		
IDEA Grant Fund #200	-	43,342
Federal Misc. Grants Fund #204	-	4,056
State Misc. Grants Fund #205	-	22,098
Total	<u>\$ 69,496</u>	<u>\$ 69,496</u>

Interfund transfers for the year ended June 30, 2019 were as follows:

	<u>Transfers Out</u>	<u>Transfers In</u>
General Fund #100	\$ 155,000	\$ -
Special Revenue Funds:		
Food Service Fund #280	-	85,000
Vehicle Replacement Fund #292	-	25,000
Technology Replacement Fund #293	-	10,000
Capital Improvement Fund #430	-	35,000
Total	<u>\$ 155,000</u>	<u>\$ 155,000</u>

The transfers out of the General Fund to the other funds represent the District's election to provide general fund support to the programs and activities of those funds.

**AMITY SCHOOL DISTRICT NO. 4J**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**June 30, 2019**

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**FUND BALANCE COMPARISON:**

The following is a comparison of the budget (cash) basis June 30, 2019 fund balance to the amount budgeted as an estimate to be on hand July 1, 2019.

<u>Fund</u>	<u>Actual</u> <u>June 30, 2019</u>	<u>Budgeted</u> <u>July 1, 2019</u>
General Fund #100	\$ 1,259,461	\$ 1,200,000
State Misc. Grants Fund #205	3,916	10,000
Community Projects Fund #250	35,314	35,000
Student Body Fund #270	212,545	210,000
Food Service Fund #280	11,356	15,000
Vehicle Replacement Fund #292	68,073	68,073
Technology Replacement Fund #293	307,371	311,620
Scholarship Fund #299	61,984	62,000
Unemployment Fund #298	113,512	114,000
Debt Service Fund #300	66,497	58,000
PERS Bond Debt Fund #302	646,039	597,349
Capital Improvement Fund #430	351,324	400,652

**OVER-EXPENDITURE OF APPROPRIATIONS:**

Expenditures in excess of appropriation in individual funds for the year ended June 30, 2019 occurred as follows:

<u>Fund / Category</u>	<u>Appropriation</u>	<u>Expenditure</u>	<u>Variance</u>
Vehicle Replacement Fund #292 / Support Services	41,976	58,278	16,302



**REQUIRED**  
**SUPPLEMENTARY**  
**INFORMATION**

**AMITY SCHOOL DISTRICT NO. 4J**  
**Schedule of Revenues, Expenditures,**  
**and Changes in Fund Balance - Budget and Actual**  
**General Fund #100**  
**For the Fiscal Year Ended June 30, 2019**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>	(Budgetary Basis) (See Note 1)	Over (Under)
<b><u>REVENUES:</u></b>				
Taxes	\$ 1,660,600	\$1,660,600	\$ 1,807,078	\$ 146,478
Earnings on Investments	30,000	30,000	64,080	34,080
Fees and Charges	50,000	50,000	42,417	(7,583)
Miscellaneous Revenue	44,100	44,100	61,782	17,682
Intermediate Government Aid	113,043	113,043	86,809	(26,234)
State Aid	6,948,732	6,948,732	6,991,614	42,882
Federal Aid	5	5	4	(1)
<b>Total Revenues</b>	<b>8,846,480</b>	<b>8,846,480</b>	<b>9,053,784</b>	<b>207,304</b>
<b><u>EXPENDITURES:</u></b>				
Instruction	5,556,614	5,524,614	5,222,042	(302,572)
Support Services	3,497,456	3,529,456	3,429,332	(100,124)
Debt Service	112,610	112,610	112,595	(15)
Contingency	470,000	425,000	-	(425,000)
<b>Total Expenditures</b>	<b>9,636,680</b>	<b>9,591,680</b>	<b>8,763,969</b>	<b>(827,711)</b>
Excess (Deficiency) of Revenues Over Expenditures	(790,200)	(745,200)	289,815	1,035,015
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Interfund Transfers Out	(110,000)	(155,000)	(155,000)	-
Sale of or Compensation for Loss of Fixed Assets	200	200	-	(200)
<b>Total Other Financing Sources (Uses)</b>	<b>(109,800)</b>	<b>(154,800)</b>	<b>(155,000)</b>	<b>(200)</b>
Net Change in Fund Balance	(900,000)	(900,000)	134,815	1,034,815
Beginning Fund Balance	900,000	900,000	1,124,646	224,646
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,259,461</b>	<b>\$ 1,259,461</b>

**AMITY SCHOOL DISTRICT NO. 4J**

**Schedule of Revenues, Expenditures,  
and Changes in Fund Balance - Budget and Actual**

**IDEA Grant Fund #200**

**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (Budgetary Basis) (See Note 1)	Final Budget Over (Under)
<b><u>REVENUES:</u></b>				
Federal Aid	\$ 275,000	\$ 275,000	\$ 168,383	\$ (106,617)
<b>Total Revenues</b>	<u>275,000</u>	<u>275,000</u>	<u>168,383</u>	<u>(106,617)</u>
<b><u>EXPENDITURES:</u></b>				
Instruction	255,000	255,000	164,975	(90,025)
Support Services	20,000	20,000	3,408	(16,592)
<b>Total Expenditures</b>	<u>275,000</u>	<u>275,000</u>	<u>168,383</u>	<u>(106,617)</u>
Net Change in Fund Balance	-	-	-	-
Beginning Fund Balance	-	-	-	-
<b>Ending Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**AMITY SCHOOL DISTRICT NO. 4J**

**SCHEDULE OF PROPORTIONATE SHARE OF THE  
NET PENSION LIABILITY**

**PERS**

**Last 10 Fiscal Years\***

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	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employer's proportion of the net pension liability (asset)	0.02633210%	0.02351608%	0.02043542%	0.03187822%	0.02998764%
Employer's proportionate share of the net pension liability (asset)	\$ 3,988,966	\$ 3,169,976	\$ 3,067,831	\$ 1,830,276	\$ (679,734)
Employer's covered - employee payroll	\$ 4,738,267	\$ 4,511,039	\$ 3,869,212	\$ 6,741,352	\$ 6,714,550
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered - employee payroll	84.19%	70.27%	79.29%	27.15%	-10.12%
Plan fiduciary net position as a percentage of the total pension liability	82.1%	83.1%	80.5%	91.9%	103.6%

\*This schedule is presented to illustrate the requirement to show information for 10 years. However the full 10-year trend will be presented for those years for which information is available

**AMITY SCHOOL DISTRICT NO. 4J**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**PERS**

**Last 10 Fiscal Years**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Contractually required contribution	\$ 354,302	\$ 366,087	\$ 315,525	\$ 344,286	\$ 338,760	\$ 286,635	\$ 257,842	\$ 255,071	\$ 192,983	\$ 200,041
Contributions in relation to the contractually required contribution	<u>354,302</u>	<u>366,087</u>	<u>315,525</u>	<u>344,286</u>	<u>338,760</u>	<u>286,635</u>	<u>257,842</u>	<u>255,071</u>	<u>192,983</u>	<u>200,041</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's covered - employee payroll	\$4,738,267	\$4,511,039	\$3,869,212	\$3,931,540	\$3,864,906	\$3,864,906	\$3,589,876	\$3,553,505	\$3,363,297	\$3,440,483
Contributions as a percentage of covered - employee payroll	5.10%	5.10%	0.53%	0.53%	3.69%	3.69%	2.06%	2.06%	0.29%	0.29%

**AMITY SCHOOL DISTRICT NO. 4J**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE**  
**NET OPEB LIABILITY**  
**OPEB RHIA**  
**Last 10 Fiscal Years\***

	2019	2018	2017
Employer's proportion of the net OPEB liability (asset)	0.03638783%	0.03853805%	0.04137321%
Employer's proportionate share of the net OPEB liability (asset)	\$ (40,619)	\$ (16,084)	\$ 11,235
Employer's covered - employee payroll	\$ 4,738,267	\$ 4,511,039	\$ 3,869,212
Employer's proportionate share of the net OPEB liability (asset) as a percentage of its covered - employee payroll	-0.86%	-0.36%	0.29%
Plan fiduciary net position as a percentage of the total OPEB liability	124.0%	108.9%	94.2%

\*This schedule is presented to illustrate the requirement to show information for 10 years. However the full 10-year trend will be presented for those years for which information is available

**AMITY SCHOOL DISTRICT NO. 4J**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**OPEB RHIA**

**Last 10 Fiscal Years**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 22,365	\$ 17,619	\$ 19,539	\$ 7,257
Contributions in relation to the contractually required contribution	22,365	17,619	19,539	7,257
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's covered - employee payroll	\$ 4,738,267	\$ 4,511,039	\$ 3,869,212	\$ 3,931,540
Contributions as a percentage of covered - employee payroll	0.47%	0.39%	0.50%	0.18%

**OTHER**  
**SUPPLEMENTARY**  
**INFORMATION**

**Non-Major Special Revenue Funds**



**AMITY SCHOOL DISTRICT NO. 4J**

**COMBINING BALANCE SHEET  
NON-MAJOR SPECIAL REVENUE FUNDS**

**June 30, 2019**

	<b>Federal Misc. Grants Fund #204</b>	<b>State Misc. Grants Fund #205</b>	<b>Community Projects Fund #250</b>	<b>Student Body Fund #270</b>	<b>Food Service Fund #280</b>	<b>Vehicle Replacement Fund #292</b>	<b>Technology Replacement Fund #293</b>	<b>Unemployment Fund #298</b>	<b>Scholarship Fund #299</b>	<b>Totals</b>
<b><u>ASSETS:</u></b>										
Cash and Cash Equivalents	\$ -	\$ -	\$ 35,314	\$212,545	\$ 9,690	\$ 68,073	\$ 307,371	\$ 113,512	\$ 61,984	\$ 808,489
Accounts Receivable	4,264	26,285	-	-	1,766	-	-	-	-	32,315
Inventory-Food, Supplies & Commodities	-	-	-	-	4,881	-	-	-	-	4,881
<b>Total Assets</b>	<b>\$ 4,264</b>	<b>\$ 26,285</b>	<b>\$ 35,314</b>	<b>\$212,545</b>	<b>\$ 16,337</b>	<b>\$ 68,073</b>	<b>\$ 307,371</b>	<b>\$ 113,512</b>	<b>\$ 61,984</b>	<b>\$ 845,685</b>
<b><u>LIABILITIES AND FUND BALANCES:</u></b>										
LIABILITIES:										
Accounts Payable	\$ 208	\$ 271	\$ -	\$ -	\$ 100	\$ -	\$ -	\$ -	\$ -	\$ 579
Due to Other Funds	4,056	22,098	-	-	-	-	-	-	-	26,154
<b>Total Liabilities</b>	<b>4,264</b>	<b>22,369</b>	<b>-</b>	<b>-</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26,733</b>
FUND BALANCES:										
Unspendable	-	-	-	-	4,881	-	-	-	-	4,881
Committed for:										
Community Projects	-	-	35,314	-	-	-	-	-	-	35,314
Educational Programs	-	3,916	-	-	-	-	-	-	61,984	65,900
Employee Benefits Programs	-	-	-	-	-	-	-	113,512	-	113,512
Equipment Acquisition	-	-	-	-	-	68,073	307,371	-	-	375,444
Food Service Program	-	-	-	-	11,356	-	-	-	-	11,356
Student Body Activities	-	-	-	212,545	-	-	-	-	-	212,545
<b>Total Fund Balances</b>	<b>-</b>	<b>3,916</b>	<b>35,314</b>	<b>212,545</b>	<b>16,237</b>	<b>68,073</b>	<b>307,371</b>	<b>113,512</b>	<b>61,984</b>	<b>818,952</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 4,264</b>	<b>\$ 26,285</b>	<b>\$ 35,314</b>	<b>\$212,545</b>	<b>\$ 16,337</b>	<b>\$ 68,073</b>	<b>\$ 307,371</b>	<b>\$ 113,512</b>	<b>\$ 61,984</b>	<b>\$ 845,685</b>

**AMITY SCHOOL DISTRICT NO. 4J**

**Combining Statement of Revenues,  
Expenditures, and Changes in Fund Balances**

**NON-MAJOR SPECIAL REVENUE FUNDS**

**For the Fiscal Year Ended June 30, 2019**

	<b>Title 1 Fund #201</b>	<b>Federal Misc. Grants Fund #204</b>	<b>State Misc. Grants Fund #205</b>	<b>Community Projects Fund #250</b>	<b>Student Body Fund #270</b>	<b>Food Service Fund #280</b>	<b>Vehicle Replacement Fund #292</b>	<b>Technology Replacement Fund #293</b>	<b>Unemployment Fund #298</b>	<b>Scholarship Fund #299</b>	<b>Totals</b>
<b><u>REVENUES:</u></b>											
Earnings on Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34	\$ -	\$ -	\$ 3,269	\$ 623	\$ 3,926
Fees and Charges	-	-	-	-	209,058	52,669	-	-	-	-	261,727
Miscellaneous Revenue	-	-	1,000	18,303	-	17	-	48,809	-	-	68,129
State Aid	-	-	119,560	-	-	7,603	23,782	-	-	-	150,945
Federal Aid	113,931	38,669	-	-	-	183,940	-	-	-	-	336,540
<b>Total Revenues</b>	<b>\$ 113,931</b>	<b>\$ 38,669</b>	<b>\$120,560</b>	<b>\$ 18,303</b>	<b>\$ 209,058</b>	<b>\$ 244,263</b>	<b>\$ 23,782</b>	<b>\$ 48,809</b>	<b>\$ 3,269</b>	<b>\$ 623</b>	<b>\$ 821,267</b>
<b><u>EXPENDITURES:</u></b>											
Current:											
Instruction	113,393	8,680	119,219	-	199,715	-	-	-	-	-	441,007
Support Services	-	29,989	4,786	-	-	-	-	4,248	4,681	-	43,704
Enterprise and Community Services	538	-	-	10,405	-	320,907	-	-	-	5,550	337,400
Capital Outlay:											
Support Services	-	-	-	-	-	-	58,278	-	-	-	58,278
Debt Service	-	-	-	-	-	-	36,408	-	-	-	36,408
<b>Total Expenditures</b>	<b>113,931</b>	<b>38,669</b>	<b>124,005</b>	<b>10,405</b>	<b>199,715</b>	<b>320,907</b>	<b>94,686</b>	<b>4,248</b>	<b>4,681</b>	<b>5,550</b>	<b>916,797</b>
Excess (Deficiency) of Revenues											
Over Expenditures	-	-	(3,445)	7,898	9,343	(76,644)	(70,904)	44,561	(1,412)	(4,927)	(95,530)
<b><u>OTHER FINANCING SOURCES (USES):</u></b>											
Interfund Transfers In	-	-	-	-	-	85,000	25,000	10,000	-	-	120,000
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>85,000</b>	<b>25,000</b>	<b>10,000</b>	<b>-</b>	<b>-</b>	<b>120,000</b>
Net Change in Fund Balance	-	-	(3,445)	7,898	9,343	8,356	(45,904)	54,561	(1,412)	(4,927)	24,470
Beginning Fund Balance	-	-	7,361	27,416	203,202	7,881	113,977	252,810	114,924	66,911	794,482
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,916</b>	<b>\$ 35,314</b>	<b>\$ 212,545</b>	<b>\$ 16,237</b>	<b>\$ 68,073</b>	<b>\$ 307,371</b>	<b>\$ 113,512</b>	<b>\$ 61,984</b>	<b>\$ 818,952</b>

**AMITY SCHOOL DISTRICT NO. 4J**

**Schedule of Revenues, Expenditures,  
and Changes in Fund Balance - Budget and Actual**

**Title 1 Fund #201**

**For the Fiscal Year Ended June 30, 2019**

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	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (Budgetary Basis) (See Note 1)	Final Budget Over (Under)
<b><u>REVENUES:</u></b>				
Federal Aid	\$ 225,000	\$ 225,000	\$ 113,931	\$ (111,069)
<b>Total Revenues</b>	<u>225,000</u>	<u>225,000</u>	<u>113,931</u>	<u>(111,069)</u>
<b><u>EXPENDITURES:</u></b>				
Instruction	189,279	189,279	113,393	(75,886)
Support Services	35,000	35,000	-	(35,000)
Enterprise and Community Services	721	721	538	(183)
<b>Total Expenditures</b>	<u>225,000</u>	<u>225,000</u>	<u>113,931</u>	<u>(111,069)</u>
Net Change in Fund Balance	-	-	-	-
Beginning Fund Balance	-	-	-	-
<b>Ending Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**AMITY SCHOOL DISTRICT NO. 4J**

**Schedule of Revenues, Expenditures,  
and Changes in Fund Balance - Budget and Actual**

**Federal Misc. Grants Fund #204**

**For the Fiscal Year Ended June 30, 2019**

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	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		<u></u>
<b><u>REVENUES:</u></b>				
Federal Aid	\$ 247,000	\$ 247,000	\$ 38,669	\$ (208,331)
<b>Total Revenues</b>	<u>247,000</u>	<u>247,000</u>	<u>38,669</u>	<u>(208,331)</u>
<b><u>EXPENDITURES:</u></b>				
Instruction	115,145	115,145	8,680	(106,465)
Support Services	<u>131,855</u>	<u>131,855</u>	<u>29,989</u>	<u>(101,866)</u>
<b>Total Expenditures</b>	<u>247,000</u>	<u>247,000</u>	<u>38,669</u>	<u>(208,331)</u>
Net Change in Fund Balance	-	-	-	-
Beginning Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Ending Fund Balance</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**AMITY SCHOOL DISTRICT NO. 4J**

**Schedule of Revenues, Expenditures,  
and Changes in Fund Balance - Budget and Actual**

**State Misc. Grants Fund #205**

**For the Fiscal Year Ended June 30, 2019**

	<u>Budgeted Amounts</u>		Actual	Variance with
	<u>Original</u>	<u>Final</u>	Amounts (Budgetary Basis) (See Note 1)	Final Budget Over (Under)
<b><u>REVENUES:</u></b>				
Miscellaneous Revenue	\$ 84,700	\$ 84,700	\$ 1,000	\$ (83,700)
State Aid	266,000	266,000	119,560	(146,440)
<b>Total Revenues</b>	<b>350,700</b>	<b>350,700</b>	<b>120,560</b>	<b>(230,140)</b>
<b><u>EXPENDITURES:</u></b>				
Instruction	259,200	259,200	119,219	(139,981)
Support Services	91,500	91,500	4,786	(86,714)
<b>Total Expenditures</b>	<b>350,700</b>	<b>350,700</b>	<b>124,005</b>	<b>(226,695)</b>
Net Change in Fund Balance	-	-	(3,445)	(3,445)
Beginning Fund Balance	-	-	7,361	7,361
<b>Ending Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,916</b>	<b>\$ 3,916</b>

**AMITY SCHOOL DISTRICT NO. 4J**

**Schedule of Revenues, Expenditures,  
and Changes in Fund Balance - Budget and Actual**

**Community Projects Fund #250**

**For the Fiscal Year Ended June 30, 2019**

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	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
			<u>(Budgetary Basis)</u>	<u>Over</u>
			<u>(See Note 1)</u>	<u>(Under)</u>
<b><u>REVENUES:</u></b>				
Miscellaneous Revenue	\$ 21,000	\$ 21,000	\$ 18,303	\$ (2,697)
<b>Total Revenues</b>	<u>21,000</u>	<u>21,000</u>	<u>18,303</u>	<u>(2,697)</u>
<b><u>EXPENDITURES:</u></b>				
Enterprise and Community Services	<u>48,000</u>	<u>48,000</u>	<u>10,405</u>	<u>(37,595)</u>
<b>Total Expenditures</b>	<u>48,000</u>	<u>48,000</u>	<u>10,405</u>	<u>(37,595)</u>
Net Change in Fund Balance	(27,000)	(27,000)	7,898	34,898
Beginning Fund Balance	<u>27,000</u>	<u>27,000</u>	<u>27,416</u>	<u>416</u>
<b>Ending Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,314</u>	<u>\$ 35,314</u>

**AMITY SCHOOL DISTRICT NO. 4J**  
**Schedule of Revenues, Expenditures,**  
**and Changes in Fund Balance - Budget and Actual**  
**Student Body Fund #270**  
**For the Fiscal Year Ended June 30, 2019**

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Fees and Charges	\$ 290,000	\$ 290,000	\$ 209,058	\$ (80,942)
<b>Total Revenues</b>	<u>290,000</u>	<u>290,000</u>	<u>209,058</u>	<u>(80,942)</u>
<b><u>EXPENDITURES:</u></b>				
Instruction	490,000	490,000	199,715	(290,285)
<b>Total Expenditures</b>	<u>490,000</u>	<u>490,000</u>	<u>199,715</u>	<u>(290,285)</u>
Net Change in Fund Balance	(200,000)	(200,000)	9,343	209,343
Beginning Fund Balance	200,000	200,000	203,202	3,202
<b>Ending Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 212,545</u>	<u>\$ 212,545</u>

**AMITY SCHOOL DISTRICT NO. 4J**  
**Schedule of Revenues, Expenditures,**  
**and Changes in Fund Balance - Budget and Actual**  
**Food Service Fund #280**  
**For the Fiscal Year Ended June 30, 2019**

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Earnings on Investments	\$ 75	\$ 75	\$ 34	\$ (41)
Fees and Charges	110,000	110,000	52,669	(57,331)
Miscellaneous Revenue	-	-	17	17
State Aid	43,500	43,500	7,603	(35,897)
Federal Aid	230,000	230,000	183,940	(46,060)
<b>Total Revenues</b>	<u>383,575</u>	<u>383,575</u>	<u>244,263</u>	<u>(139,312)</u>
<b><u>EXPENDITURES:</u></b>				
Enterprise and Community Services	483,575	483,575	320,907	(162,668)
<b>Total Expenditures</b>	<u>483,575</u>	<u>483,575</u>	<u>320,907</u>	<u>(162,668)</u>
Excess (Deficiency) of Revenues Over Expenditures	(100,000)	(100,000)	(76,644)	23,356
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Interfund Transfers In	85,000	85,000	85,000	-
<b>Total Other Financing Sources (Uses)</b>	<u>85,000</u>	<u>85,000</u>	<u>85,000</u>	<u>-</u>
Net Change in Fund Balance	(15,000)	(15,000)	8,356	23,356
Beginning Fund Balance	15,000	15,000	3,000	(12,000)
<b>Ending Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,356</u>	<u>\$ 11,356</u>

**Reconciliation to generally accepted accounting principles basis**

Fund Balance - from above	11,356
Reserve for Inventories	4,881
Ending Fund Balance as Reported in Statement of Revenues, Expenditures and Changes in Fund Balances	<u>\$ 16,237</u>



**AMITY SCHOOL DISTRICT NO. 4J**  
**Schedule of Revenues, Expenditures,**  
**and Changes in Fund Balance - Budget and Actual**  
**Vehicle Replacement Fund #292**  
**For the Fiscal Year Ended June 30, 2019**

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>	(See Note 1)	
<b><u>REVENUES:</u></b>				
State Aid	\$ 23,782	\$ 23,782	\$ 23,782	\$ -
<b>Total Revenues</b>	<u>23,782</u>	<u>23,782</u>	<u>23,782</u>	<u>-</u>
<b><u>EXPENDITURES:</u></b>				
Support Services	41,976	41,976	58,278	16,302
Debt Service	198,783	198,783	36,408	(162,375)
<b>Total Expenditures</b>	<u>240,759</u>	<u>240,759</u>	<u>94,686</u>	<u>(146,073)</u>
Excess (Deficiency) of Revenues Over Expenditures	(216,977)	(216,977)	(70,904)	146,073
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Interfund Transfers In	25,000	25,000	25,000	-
Long Term Debt Financing Sources	75,000	75,000	-	(75,000)
<b>Total Other Financing Sources (Uses)</b>	<u>100,000</u>	<u>100,000</u>	<u>25,000</u>	<u>(75,000)</u>
Net Change in Fund Balance	(116,977)	(116,977)	(45,904)	71,073
Beginning Fund Balance	116,977	116,977	113,977	(3,000)
<b>Ending Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,073</u>	<u>\$ 68,073</u>

**AMITY SCHOOL DISTRICT NO. 4J**

**Schedule of Revenues, Expenditures,  
and Changes in Fund Balance - Budget and Actual**

**Technology Replacement Fund #293**

**For the Fiscal Year Ended June 30, 2019**

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>	(See Note 1)	
<b><u>REVENUES:</u></b>				
Miscellaneous Revenue	\$ 57,000	\$ 57,000	\$ 48,809	\$ (8,191)
<b>Total Revenues</b>	<u>57,000</u>	<u>57,000</u>	<u>48,809</u>	<u>(8,191)</u>
<b><u>EXPENDITURES:</u></b>				
Instruction	225,000	225,000	-	(225,000)
Support Services	94,811	94,811	4,248	(90,563)
<b>Total Expenditures</b>	<u>319,811</u>	<u>319,811</u>	<u>4,248</u>	<u>(315,563)</u>
Excess (Deficiency) of Revenues Over Expenditures	(262,811)	(262,811)	44,561	307,372
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Interfund Transfers In	10,000	10,000	10,000	-
<b>Total Other Financing Sources (Uses)</b>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Net Change in Fund Balance	(252,811)	(252,811)	54,561	307,372
Beginning Fund Balance	252,811	252,811	252,810	(1)
<b>Ending Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 307,371</u>	<u>\$ 307,371</u>

**AMITY SCHOOL DISTRICT NO. 4J**

**Schedule of Revenues, Expenditures,  
and Changes in Fund Balance - Budget and Actual  
Unemployment Fund #298  
For the Fiscal Year Ended June 30, 2019**

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	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Earnings on Investments	\$ 2,500	\$ 2,500	\$ 3,269	\$ 769
<b>Total Revenues</b>	<u>2,500</u>	<u>2,500</u>	<u>3,269</u>	<u>769</u>
<b><u>EXPENDITURES:</u></b>				
Support Services	115,410	115,410	4,681	(110,729)
<b>Total Expenditures</b>	<u>115,410</u>	<u>115,410</u>	<u>4,681</u>	<u>(110,729)</u>
Net Change in Fund Balance	(112,910)	(112,910)	(1,412)	111,498
Beginning Fund Balance	<u>112,910</u>	<u>112,910</u>	<u>114,924</u>	<u>2,014</u>
<b>Ending Fund Balance</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 113,512</u></u>	<u><u>\$ 113,512</u></u>

**AMITY SCHOOL DISTRICT NO. 4J**  
**Schedule of Revenues, Expenditures,**  
**and Changes in Fund Balance - Budget and Actual**  
**Scholarship Fund #299**  
**For the Fiscal Year Ended June 30, 2019**

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Earnings on Investments	\$ 500	\$ 500	\$ 623	\$ 123
<b>Total Revenues</b>	<u>500</u>	<u>500</u>	<u>623</u>	<u>123</u>
<b><u>EXPENDITURES:</u></b>				
Enterprise and Community Services	24,720	24,720	5,550	(19,170)
Contingency	42,690	42,690	-	(42,690)
<b>Total Expenditures</b>	<u>67,410</u>	<u>67,410</u>	<u>5,550</u>	<u>(61,860)</u>
Net Change in Fund Balance	(66,910)	(66,910)	(4,927)	61,983
Beginning Fund Balance	66,910	66,910	66,911	1
<b>Ending Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,984</u>	<u>\$ 61,984</u>

**OTHER**  
**SUPPLEMENTARY**  
**INFORMATION**

**Debt Service Funds**

**AMITY SCHOOL DISTRICT NO. 4J**

**Schedule of Revenues, Expenditures,  
and Changes in Fund Balance - Budget and Actual**

**Debt Service Fund #300 (A Major Fund)**

**For the Fiscal Year Ended June 30, 2019**

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		<u></u>
<b><u>REVENUES:</u></b>				
Taxes	\$ 581,952	\$ 581,952	\$ 636,004	\$ 54,052
Earnings on Investments	4,000	4,000	8,636	4,636
<b>Total Revenues</b>	<u>585,952</u>	<u>585,952</u>	<u>644,640</u>	<u>58,688</u>
<b><u>EXPENDITURES:</u></b>				
Debt Service	<u>618,877</u>	<u>618,877</u>	<u>618,877</u>	<u>-</u>
<b>Total Expenditures</b>	<u>618,877</u>	<u>618,877</u>	<u>618,877</u>	<u>-</u>
Net Change in Fund Balance	(32,925)	(32,925)	25,763	58,688
Beginning Fund Balance	<u>32,925</u>	<u>32,925</u>	<u>40,734</u>	<u>7,809</u>
<b>Ending Fund Balance</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 66,497</u></u>	<u><u>\$ 66,497</u></u>

**AMITY SCHOOL DISTRICT NO. 4J**

**Schedule of Revenues, Expenditures,  
and Changes in Fund Balance - Budget and Actual**

**PERS Bond Debt Fund #302 (A Major Fund)**

**For the Fiscal Year Ended June 30, 2019**

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		<u></u>
<b><u>REVENUES:</u></b>				
Earnings on Investments	\$ 12,000	\$ 12,000	\$ 18,615	\$ 6,615
Miscellaneous Revenue	600,000	600,000	724,603	124,603
<b>Total Revenues</b>	<u>612,000</u>	<u>612,000</u>	<u>743,218</u>	<u>131,218</u>
<b><u>EXPENDITURES:</u></b>				
Debt Service	662,216	662,216	662,216	-
<b>Total Expenditures</b>	<u>662,216</u>	<u>662,216</u>	<u>662,216</u>	<u>-</u>
Net Change in Fund Balance	(50,216)	(50,216)	81,002	131,218
Beginning Fund Balance	512,855	512,855	565,037	52,182
<b>Ending Fund Balance</b>	<u><u>\$ 462,639</u></u>	<u><u>\$ 462,639</u></u>	<u><u>\$ 646,039</u></u>	<u><u>\$ 183,400</u></u>

**OTHER**  
**SUPPLEMENTARY**  
**INFORMATION**

**Capital Projects Fund**



**AMITY SCHOOL DISTRICT NO. 4J**

**Schedule of Revenues, Expenditures,  
and Changes in Fund Balance - Budget and Actual**

**Capital Improvement Fund #430 (A Major Fund)**

**For the Fiscal Year Ended June 30, 2019**

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Earnings on Investments	\$ 9,200	\$ 9,200	\$ 10,819	\$ 1,619
Miscellaneous Revenue	20,000	20,000	16,094	(3,906)
<b>Total Revenues</b>	<u>29,200</u>	<u>29,200</u>	<u>26,913</u>	<u>(2,287)</u>
<b><u>EXPENDITURES:</u></b>				
Support Services	84,200	84,200	47,378	(36,822)
Facilities Acquisition and Construction	263,000	263,000	221,560	(41,440)
<b>Total Expenditures</b>	<u>347,200</u>	<u>347,200</u>	<u>268,938</u>	<u>(78,262)</u>
Excess (Deficiency) of Revenues Over Expenditures	(318,000)	(318,000)	(242,025)	75,975
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Interfund Transfers In	35,000	35,000	35,000	-
<b>Total Other Financing Sources (Uses)</b>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>-</u>
Net Change in Fund Balance	(283,000)	(283,000)	(207,025)	75,975
Beginning Fund Balance	283,000	283,000	558,349	275,349
<b>Ending Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 351,324</u>	<u>\$ 351,324</u>

**OTHER**  
**SUPPLEMENTARY**  
**INFORMATION**

**Additional**  
**Supporting Schedules**

**AMITY SCHOOL DISTRICT NO. 4J**  
**SCHEDULE OF LONG-TERM DEBT TRANSACTIONS**  
**For the Fiscal Year Ended June 30, 2019**

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**GO Refunding Bond, Series 2015**

On March 19, 2015, the District issued General Obligation Refunding Bond, Series 2015 for refunding of GO Refunding Bonds, Series 2005. The bonds are held by Heritage Bank. The original balance of the 2015 refunding bonds was \$4,076,000, with a fixed interest rate of 1.78%.

**Current Year Activity:**

	Outstanding Balance July 1, 2018	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2019	Due Within One Year
Principal	\$ 2,465,000	\$ -	\$ 575,000	\$ 1,890,000	\$ 600,000
Interest	-	43,877	43,877	-	33,642
Total	<u>\$ 2,465,000</u>	<u>\$ 43,877</u>	<u>\$ 618,877</u>	<u>\$ 1,890,000</u>	<u>\$ 633,642</u>

**Future Requirements:**

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2020	\$ 600,000	\$ 33,642	\$ 633,642	4.00%
	2021	630,000	22,962	652,962	4.00%
	2022	660,000	11,748	671,748	4.00%
Total		<u>\$ 1,890,000</u>	<u>\$ 68,352</u>	<u>\$ 1,958,352</u>	

**AMITY SCHOOL DISTRICT NO. 4J**  
**SCHEDULE OF LONG-TERM DEBT TRANSACTIONS**  
**For the Fiscal Year Ended June 30, 2019**

**OSBA Limited Tax Pension Bond, Series 2013**

April 21, 2003, the District issued Oregon School Boards Association Limited Tax Pension Obligation Bonds, Series 2003. The bonds are held by Wells Fargo Corporate Trust Services. The original balance was \$6,618,174 and has a variable interest rate on the bonds varying from 1.5% to 6.27%. Interest payments are due the 30th of June and December of each year with a principal payment due with the June payment.

**Current Year Activity:**

	Outstanding Balance July 1, 2018	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2019	Due Within One Year
Principal	\$ 4,354,011	\$ -	\$ 176,587	\$ 4,177,424	\$ 176,485
Interest	-	485,627	485,627	-	520,731
Total	<u>\$ 4,354,011</u>	<u>\$ 485,627</u>	<u>\$ 662,214</u>	<u>\$ 4,177,424</u>	<u>\$ 697,216</u>

**Future Requirements:**

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2020	\$ 176,485	\$ 520,731	\$ 697,216	5.62%
	2021	173,920	553,296	727,216	5.62%
	2022	173,094	589,122	762,216	5.62%
	2023	173,925	628,290	802,215	5.62%
	2024	645,000	197,216	842,216	5.62%
	2025	720,000	161,028	881,028	5.62%
	2026	800,000	120,132	920,132	5.62%
	2027	890,000	74,692	964,692	5.62%
	2028	425,000	24,140	449,140	5.62%
Total		<u>\$ 4,177,424</u>	<u>\$ 2,868,647</u>	<u>\$ 7,046,071</u>	

**AMITY SCHOOL DISTRICT NO. 4J**  
**SCHEDULE OF LONG-TERM DEBT TRANSACTIONS**  
**For the Fiscal Year Ended June 30, 2019**

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**QZAB held by Bank of America**

Qualified Zone Academy Bond (QZAB), held by Bank of America- USA. The original balance of the bond is \$1,290,000, dated February 1, 2004, for funding qualified building improvements and equipment purchases. Interest costs are subsidized by the federal government. Annual payments of \$69,261 were placed into a sinking fund maintained by a paying agent. Earnings of the sinking fund reduce total payments made to retire bonds. The debt was paid to bondholders at maturity in February 2019 from the sinking fund. Interest earned by the sinking fund that reduced the required debt payoff was recognized as capital contribution on the Statement of Activities.

**Current Year Activity:**

	Outstanding Balance July 1, 2018	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2019	Due Within One Year
Principal	\$ 320,343	\$ -	\$ 320,343	\$ -	\$ -
Interest	-	-	-	-	-
Total	<u>\$ 320,343</u>	<u>\$ -</u>	<u>\$ 320,343</u>	<u>\$ -</u>	<u>\$ -</u>

**AMITY SCHOOL DISTRICT NO. 4J**  
**SCHEDULE OF LONG-TERM DEBT TRANSACTIONS**  
**For the Fiscal Year Ended June 30, 2019**

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**QZAB held by Columbia Bank**

Qualified Zone Academy Bond (QZAB), original balance of \$650,000, dated April 6, 2016, for the purchase of equipment and improvements to real property. Deposit amounts of \$43,334 per year are required, with the first deposit due April 6, 2017. Bond interest is computed at 0.00%.

**Current Year Activity:**

	Outstanding Balance July 1, 2018	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2019	Due Within One Year
Principal	\$ 563,332	\$ -	\$ 43,334	\$ 519,998	\$ 43,334
Interest	-	-	-	-	-
Total	<u>\$ 563,332</u>	<u>\$ -</u>	<u>\$ 43,334</u>	<u>\$ 519,998</u>	<u>\$ 43,334</u>

**Future Requirements:**

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2020	\$ 43,334	\$ -	\$ 43,334	0.00%
	2021	43,334	-	43,334	0.00%
	2022	43,334	-	43,334	0.00%
	2023	43,334	-	43,334	0.00%
	2024	43,334	-	43,334	0.00%
	2025	43,334	-	43,334	0.00%
	2026	43,334	-	43,334	0.00%
	2027	43,334	-	43,334	0.00%
	2028	43,334	-	43,334	0.00%
	2029	43,334	-	43,334	0.00%
	2030	43,334	-	43,334	0.00%
	2031	43,324	-	43,324	0.00%
Total		<u>\$ 519,998</u>	<u>\$ -</u>	<u>\$ 519,998</u>	

**AMITY SCHOOL DISTRICT NO. 4J**  
**SCHEDULE OF LONG-TERM DEBT TRANSACTIONS**  
**For the Fiscal Year Ended June 30, 2019**

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**Bus Leases with Santander Bank, NA.**

On October 15, 2013, the District entered into a Bus Lease/ purchase agreement with Santander Bank, NA, for the purchase of 3 busses. The total amount of the lease was \$237,820. The lease carries an interest rate of 2.30% per annum.

**Current Year Activity:**

Outstanding Balance July 1, 2018	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2019	Due Within One Year
\$ 69,892	\$ -	\$ 34,946	\$ 34,946	\$ 34,946
-	1,462	1,462	-	1,462
<u>\$ 69,892</u>	<u>\$ 1,462</u>	<u>\$ 36,408</u>	<u>\$ 34,946</u>	<u>\$ 36,408</u>

**Future Requirements:**

Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
2020	\$ 34,946	\$ 1,462	\$ 36,408	0.00%
	<u>\$ 34,946</u>	<u>\$ 1,462</u>	<u>\$ 36,408</u>	

**AMITY SCHOOL DISTRICT NO. 4J**

**Oregon Department of Education Form 581-3211-C  
For the Fiscal Year Ended June 30, 2019**

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**SUPPLEMENTAL INFORMATION 2018-2019**

Part A is needed for computing Oregon's full allocation for ESEA, Title 1 & other Federal Funds for Education

**B. Energy Bills for Heating - All Funds:**

Please enter your expenditures for electricity  
& heating fuel, and water & sewage  
for these Functions & Objects.

	Objects 325 & 326 & *327
Function 2540	\$ 174,043
Function 2550	\$ -

**C. Replacement of Equipment - General Fund:**

Include all General Fund expenditures in Object 542, except for the following exclusions:

Exclude these functions:

1113,1122 & 1132  
1140  
1300  
1400

Extra-curricular Activities  
Pre-Kindergarten  
Continuing Education  
Summer School

Exclude these functions:

4150 Construction  
2550 Pupil Transportation  
3100 Food Service  
3300 Community Services

**\$ 137,700**

\*Object code 327 (water and sewage) has been added to Part A to be included in the Function 2540 and 2550 totals



**AMITY SCHOOL DISTRICT NO. 4J**

**Audit Revenue Summary - All Funds**

**For the Fiscal Year Ended June 30, 2019**

**Revenue from Local Sources**

1110	Ad Valorem Taxes Levied by District
1190	Penalties and Interest on Taxes
1500	Earnings on Investments
1600	Food Service
1700	Extracurricular Activities
1800	Community Service Activities
1910	Rentals
1920	Contributions and Donations From Private Sources
1940	Services Provided Other Local Education Agencies
1960	Recovery of Prior Years' Expenditue
1970	Services Provided Other Funds
1990	Miscallaneous
	<b>Total Revenue from Local Sources</b>

Fund 100	Fund 200	Fund 300	Fund 400
\$ 1,799,731	\$ -	\$ 633,358	\$ -
7,347	-	2,646	-
64,080	3,925	27,251	10,819
-	52,669	-	-
42,417	209,058	-	-
-	18,303	-	-
10,240	-	-	-
6,200	-	-	-
-	1,000	-	-
18,320	-	-	-
-	-	724,603	-
27,022	48,826	-	16,094
\$ 1,975,358	\$ 333,781	\$1,387,858	\$ 26,913

**Revenue from Intermediate Sources**

2101	County School Funds
2102	General ESD Revenue
2199	Other Intermediate Sources
2200	Restricted Revenue
	<b>Total Revenue from Intermediate Sources</b>

Fund 100	Fund 200	Fund 300	Fund 400
\$ 2,683	\$ -	\$ -	\$ -
80,793	-	-	-
1,060	-	-	-
2,273	-	-	-
\$ 86,809	\$ -	\$ -	\$ -

**Revenue from State Sources**

2101	County School Funds
2102	General ESD Revenue
2199	Other Intermediate Sources
2200	Restricted Revenue
	<b>Total Revenue from Intermediate Sources</b>

Fund 100	Fund 200	Fund 300	Fund 400
\$ 2,683	\$ -	\$ -	\$ -
80,793	-	-	-
1,060	-	-	-
2,273	-	-	-
\$ 86,809	\$ -	\$ -	\$ -

**Revenue from State Sources**

3101	State School Fund - General Support
3102	State School Fund - School Lunch Match
3103	Common School Fund
3199	Other Unrestricted Grtants-In-Aid
3222	State School Fund (SSF) Transportation Equipment
3299	Other Restricted Grants-In-Aid
	<b>Total Revenue from State Sources</b>

Fund 100	Fund 200	Fund 300	Fund 400
\$ 6,847,382	\$ -	\$ -	\$ -
-	2,595	-	-
95,981	-	-	-
45,205	-	-	-
-	23,782	-	-
3,046	124,568	-	-
\$ 6,991,614	\$ 150,945	\$ -	\$ -

**Revenue from Federal Sources**

4500	Restricted Revenue From the Federal Government Through the State
4700	Granits-In-Aid From the Federal Government Through Other Intermediate Agencies
4801	Federal Forest Fees
4900	Revenue for/on Behalf of the District
	<b>Total Revenue from Federal Sources</b>

Fund 100	Fund 200	Fund 300	Fund 400
\$ -	\$ 483,071	\$ -	\$ -
-	1,879	-	-
4	-	-	-
-	19,973	-	-
\$ 4	\$ 504,923	\$ -	\$ -

**Revenue from Other Sources**

5200	Interfund Transfers
5400	Resources - Beginning Fund Balance
	<b>Total Revenue from Other Sources</b>

Fund 100	Fund 200	Fund 300	Fund 400
\$ -	\$ 120,000	\$ -	\$ 35,000
1,124,646	789,601	605,771	558,349
\$ 1,124,646	\$ 909,601	\$ 605,771	\$ 593,349

**Grand Total**

<b>\$ 10,265,240</b>	<b>\$ 1,899,250</b>	<b>\$1,993,629</b>	<b>\$ 620,263</b>
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**AMITY SCHOOL DISTRICT NO. 4J**  
**Audit Expenditure Summary-General Fund #100**  
**For the Fiscal Year Ended June 30, 2019**

**FUND: General Fund #100**

<b>Instruction Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
1111	Elementary, K-5 or K-6	\$ 1,538,007	\$ 952,943	\$ 525,288	\$ 10,652	\$ 49,124	\$ -	\$ -	\$ -
1113	Elementary Extracurricular	10,341	7,325	2,392	624	-	-	-	-
1121	Middle/Junior High Programs	900,515	573,155	307,170	7,194	12,995	-	-	-
1122	Middle/Junior High School Extracurricular	27,234	16,177	3,260	5,975	1,821	-	-	-
1131	High School Programs	1,369,992	887,928	431,118	17,949	32,446	-	550	-
1132	High School Extracurricular	254,806	117,182	40,655	51,431	42,148	-	3,390	-
1210	Programs for the Talented and Gifted	186	-	-	-	186	-	-	-
1220	Restrictive Programs for Students with Disabilities	190,761	-	-	190,761	-	-	-	-
1250	Less Restrictive Programs for Students with Disabilities	458,382	282,840	168,823	692	6,027	-	-	-
1271	Remediation	3,948	2,975	973	-	-	-	-	-
1280	Alternative Education	376,381	-	-	376,381	-	-	-	-
1291	English Second Language Programs	91,490	62,266	27,785	301	1,138	-	-	-
<b>Total Instruction Expenditures</b>		<b>\$ 5,222,042</b>	<b>\$ 2,902,791</b>	<b>\$ 1,507,464</b>	<b>\$ 661,959</b>	<b>\$ 145,887</b>	<b>\$ -</b>	<b>\$ 3,940</b>	<b>\$ -</b>

<b>Support Services Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
2110	Attendance and Social Work Services	\$ 130,729	\$ 73,622	\$ 38,432	\$ 18,675	\$ -	\$ -	\$ -	\$ -
2120	Guidance Services	297,626	198,459	97,696	1,331	140	-	-	-
2130	Health Services	7,251	-	-	7,251	-	-	-	-
2190	Service Direction, Student Support Services	125,150	82,840	42,310	-	-	-	-	-
2220	Educational Media Services	82,780	51,344	23,531	77	7,828	-	-	-
2230	Assessment & Testing	13,182	8,838	2,889	-	1,455	-	-	-
2240	Instructional Staff Development	13,164	-	13,164	-	-	-	-	-
2310	Board of Education Services	36,664	-	-	24,277	1,330	-	11,057	-
2320	Executive Administration Services	203,607	129,473	61,019	4,888	7,302	-	925	-
2410	Office of the Principal Services	657,788	423,067	229,083	1,075	1,878	-	2,685	-
2520	Fiscal Services	207,661	109,636	55,890	37,738	2,960	-	1,438	-
2540	Operation and Maintenance of Plant Services	976,596	249,577	138,113	336,567	49,508	155,907	46,923	-
2550	Student Transportation Services	460,290	26,773	9,758	410,754	9,292	-	3,714	-
2630	Information Services	20,185	11,763	8,262	160	-	-	-	-
2640	Staff Services	1,240	-	-	1,240	-	-	-	-
2660	Technology Services	195,418	83,803	41,758	52,530	17,328	-	-	-
<b>Total Support Services Expenditures</b>		<b>\$ 3,429,332</b>	<b>\$ 1,449,196</b>	<b>\$ 761,905</b>	<b>\$ 896,563</b>	<b>\$ 99,020</b>	<b>\$ 155,907</b>	<b>\$ 66,742</b>	<b>\$ -</b>

<b>Other Uses Expenditures</b>		<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>	<b>Object 700</b>
5100	Debt Service	\$ 112,595	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 112,595	\$ -
5200	Transfers of Funds	155,000	-	-	-	-	-	-	155,000
<b>Total Other Uses Expenditures</b>		<b>\$ 267,595</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 112,595</b>	<b>\$ 155,000</b>

<b>Grand Total</b>		<b>\$ 8,918,969</b>	<b>\$ 4,351,987</b>	<b>\$ 2,269,369</b>	<b>\$ 1,558,522</b>	<b>\$ 244,907</b>	<b>\$ 155,907</b>	<b>\$ 183,277</b>	<b>\$ 155,000</b>
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**AMITY SCHOOL DISTRICT NO. 4J**  
**Audit Expenditure Summary-Special Revenue Fund #200**  
**For the Fiscal Year Ended June 30, 2019**

**FUND: Special Revenue Fund #200**

**Instruction Expenditures**

	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>
1111 Elementary, K-5 or K-6	\$ 26,973	\$ 4,861	\$ 1,435	\$ 4,843	\$ 15,084	\$ -	\$ 750
1113 Elementary Extracurricular	45,766	-	-	-	45,766	-	-
1121 Middle/Junior High Programs	597	-	-	-	597	-	-
1122 Middle/Junior High School Extracurricular	35,399	-	-	-	35,399	-	-
1131 High School Programs	97,638	33,773	9,217	16,004	38,644	-	-
1132 High School Extracurricular	118,550	-	-	-	118,550	-	-
1250 Less Restrictive Programs for Students with Disabilities	163,575	108,718	54,677	180	-	-	-
1272 Title I	113,393	75,118	37,463	24	-	-	787
1280 Alternative Education	4,091	-	-	4,091	-	-	-
<b>Total Instruction Expenditures</b>	<b>\$ 605,982</b>	<b>\$ 222,470</b>	<b>\$ 102,793</b>	<b>\$ 25,141</b>	<b>\$ 254,041</b>	<b>\$ -</b>	<b>\$ 1,537</b>

**Support Services Expenditures**

	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>
2110 Attendance and Social Work Services	\$ 2,876	\$ -	\$ -	\$ -	\$ 2,876	\$ -	\$ -
2210 Improvement of Instruction Services	7,110	4,312	1,285	1,513	-	-	-
2240 Instructional Staff Development	2,328	507	49	1,771	-	-	-
2490 Other Support Services - School Administration	587	-	-	587	-	-	-
2520 Fiscal Services	4,681	-	4,681	-	-	-	-
2540 Operation and Maintenance of Plant Services	10,378	-	-	-	-	10,378	-
2550 Student Transportation Services	55,854	107	33	7,815	-	47,900	-
2640 Staff Services	17,328	12,767	4,232	329	-	-	-
2660 Technology Services	4,248	-	-	4,248	-	-	-
<b>Total Support Services Expenditures</b>	<b>\$ 105,390</b>	<b>\$ 17,692</b>	<b>\$ 10,280</b>	<b>\$ 16,264</b>	<b>\$ 2,876</b>	<b>\$ 58,278</b>	<b>\$ -</b>

**Enterprise and Community Services Expenditures**

	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>
3100 Food Services	\$ 320,907	\$ 96,129	\$ 41,206	\$ 16,699	\$ 164,457	\$ -	\$ 2,416
3300 Community Services	6,088	-	-	6,088	-	-	-
3500 Custody and Care of Children Services	10,405	7,837	2,558	10	-	-	-
<b>Total Enterprise and Community Services Expenditures</b>	<b>\$ 337,400</b>	<b>\$ 103,966</b>	<b>\$ 43,764</b>	<b>\$ 22,797</b>	<b>\$ 164,457</b>	<b>\$ -</b>	<b>\$ 2,416</b>

**Other Uses Expenditures**

	<b>Totals</b>	<b>Object 100</b>	<b>Object 200</b>	<b>Object 300</b>	<b>Object 400</b>	<b>Object 500</b>	<b>Object 600</b>
5100 Debt Service	\$ 36,408	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,408
<b>Total Other Uses Expenditures</b>	<b>\$ 36,408</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 36,408</b>

**Grand Total**

<b>\$ 1,085,180</b>	<b>\$ 344,128</b>	<b>\$ 156,837</b>	<b>\$ 64,202</b>	<b>\$ 421,374</b>	<b>\$ 58,278</b>	<b>\$ 40,361</b>
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**AMITY SCHOOL DISTRICT NO. 4J**  
**Audit Expenditure Summary-Debt Service Fund #300**  
**For the Fiscal Year Ended June 30, 2019**

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**FUND: Debt Service Fund #300**

<b>Other Uses Expenditures</b>		
5100 Debt Service		
<b>Total Other Uses Expenditures</b>		
<b>Grand Total</b>		

<b>Totals</b>	<b>Object 600</b>
\$ 1,281,093	\$ 1,281,093
\$ 1,281,093	\$ 1,281,093
<b>\$ 1,281,093</b>	<b>\$ 1,281,093</b>

**AMITY SCHOOL DISTRICT NO. 4J**

**Audit Expenditure Summary-Capital Projects Fund #400**

**For the Fiscal Year Ended June 30, 2019**

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**FUND: Capital Projects Fund #400**

**Support Services Expenditures**

2540 Operation and Maintenance of Plant Services

**Total Support Services Expenditures**

<b>Totals</b>	<b>Object 300</b>	<b>Object 500</b>
\$ 47,378	\$ 47,378	\$ -
\$ 47,378	\$ 47,378	\$ -

**Facilities Acquisition and Construction Expenditures**

4150 Building Acquisition, Construction, and Improvement Services

**Total Facilities Acquisition and Construction Expenditures**

<b>Totals</b>	<b>Object 300</b>	<b>Object 500</b>
\$ 221,560	\$ -	\$ 221,560
\$ 221,560	\$ -	\$ 221,560

**Grand Total**

<b>\$ 268,938</b>	<b>\$ 47,378</b>	<b>\$ 221,560</b>
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**AMITY SCHOOL DISTRICT NO. 4J**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED June 30, 2019**

Federal Grantor/Pass Through Grantor/ Program Title	Grant Fund	Federal CFDA Number	Grant Period	Original Program or Grant Amount	(Receivable)/	Cash Received	Expenditures	(Receivable)/
					Deferred Revenue June 30, 2018			Deferred Revenue June 30, 2019
<b>US. DEPARTMENT OF EDUCATION</b>								
<b>Passed Through Oregon Department of Education:</b>								
Title IA - Grants to Local Education Agencies	Title I	84.010	2018-19	\$ 113,931	\$ -	\$ 113,931	\$ 113,931	\$ -
Total Title I				113,931	-	113,931	113,931	-
Title II-A Teacher Quality	Federal Misc.	84.367	2018-19	21,288	-	21,288	21,288	-
Title II-A Teacher Quality	Federal Misc.	84.367	2017-18	20,215	(1,120)	1,449	329	-
Total Title I I-A				41,503	(1,120)	22,737	21,617	-
Title IV - Student Support and Academic Enrichment	Federal Misc.	84.186A	2018-19	10,629	-	7,357	7,357	-
IDEA - Special Education Grants to States(Part B Sec.611)	IDEA Grant	84.027A	2018-19	141,825	-	-	43,069	(43,069)
IDEA - Special Education Grants to States(Part B Sec.611)	IDEA Grant	84.027A	2017-18	147,085	(26,580)	147,085	120,505	-
IDEA - Special Education Grants to States(Part B Sec.611)	IDEA Grant	84.027A	2016-17	147,678	(1,011)	1,011	-	-
IDEA - Enhancement & Extended Assessment Training	IDEA Grant	84.027A	2018-19	2,122	-	1,001	1,273	(272)
IDEA - Enhancement & Extended Assessment Training	IDEA Grant	84.027A	2017-18	2,122	-	1,798	1,798	-
IDEA - SPR & I	IDEA Grant	84.027	2018-19	1,737	-	1,737	1,737	-
IDEA - Post School Outcomes	Federal Misc.	84.027	2017-18	462	(462)	462	-	-
Total IDEA				443,031	(28,053)	153,094	168,382	(43,341)
<b>Total Passed through Oregon Department of Education</b>				<b>\$ 609,094</b>	<b>\$ (29,173)</b>	<b>\$ 297,119</b>	<b>\$ 311,287</b>	<b>\$ (43,341)</b>
<b>Passed through Education Service District:</b>								
Education for Homeless Children and Youth	Federal Misc.	84.196	2017-18	\$ 996	\$ (192)	\$ 192	\$ -	\$ -
Education for Homeless Children and Youth	Federal Misc.	84.196	2018-19	556	-	556	556	-
<b>Total Passed through Education Service District</b>				<b>\$ 1,552</b>	<b>\$ (192)</b>	<b>\$ 748</b>	<b>\$ 556</b>	<b>\$ -</b>
<b>Total U.S. Department of Education</b>				<b>\$ 610,646</b>	<b>\$ (29,365)</b>	<b>\$ 297,867</b>	<b>\$ 311,843</b>	<b>\$ (43,341)</b>
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>								
Foster Care Title IV-E	Federal Misc.	93.658	2018-19	7,816	-	3,974	7,816	(3,842)
<b>Total Department of Health and Human Services</b>				<b>\$ 7,816</b>	<b>\$ -</b>	<b>\$ 3,974</b>	<b>\$ 7,816</b>	<b>\$ (3,842)</b>
<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>								
<b>Passed through Western Oregon University</b>								
Environmental Education Grants	Federal Misc.	66.951	2018-19	\$ 1,800	\$ -	\$ 900	\$ 1,323	\$ (423)
<b>Total U.S. Environmental Protection Agency</b>				<b>\$ 1,800</b>	<b>\$ -</b>	<b>\$ 900</b>	<b>\$ 1,323</b>	<b>\$ (423)</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>								
<b>Passed Through Oregon Department of Education:</b>								
Commodities	Food Service	10.555	2018-19	\$ 19,973	\$ -	\$ 19,973	\$ 19,973	\$ -
National School Lunch - Breakfast	Food Service	10.553	2018-19	40,701	-	40,701	40,701	-
National School Lunch - Breakfast	Food Service	10.553	2017-18	42,491	(2,549)	2,549	-	-
National School Lunch - Section 4	Food Service	10.555	2018-19	123,266	-	123,266	123,266	-
National School Lunch - Section 4	Food Service	10.555	2017-18	136,275	(7,351)	7,351	-	-
State Administrative Expenses for Child Nutrition	Food Service	10.560	2018-19	94	(94)	94	-	-
Total National School Lunch Program				362,800	(9,994)	193,934	183,940	-
<b>Total U.S. Department of Agriculture</b>				<b>\$ 362,800</b>	<b>\$ (9,994)</b>	<b>\$ 193,934</b>	<b>\$ 183,940</b>	<b>\$ -</b>
<b>TOTALS</b>				<b>\$ 983,062</b>	<b>\$ (39,359)</b>	<b>\$ 496,675</b>	<b>\$ 504,922</b>	<b>\$ (47,606)</b>

This schedule is prepared using the modified accrual basis of accounting.

**RECONCILIATION TO REVENUE:**

Cash Receipts per Schedule Above	\$ 496,675
Grants Receivable/Deferred Revenue Beginning of Year	(39,359)
Grants Receivable/Deferred Revenue End of Year	47,606
<b>Federal Revenue Recognized per Financial Statements</b>	<b>\$ 504,922</b>

**ACCOMPANYING**  
**INFORMATION**

**AMITY SCHOOL DISTRICT NO. 4J**  
**INDEPENDENT AUDITOR'S REPORT**  
**REQUIRED BY OREGON STATE REGULATIONS**

**As of June 30, 2019**

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To the Governing Body of the Amity School District No. 4J  
Amity, Oregon

I have audited the basic financial statements of the Amity School District No. 4J as of and for the year ended June 30, 2019, and have issued my report thereon dated November 22, 2019. I conducted my audit in accordance with auditing standards generally accepted in the United States of America.

**Compliance**

As part of obtaining reasonable assurance about whether the Amity School District No. 4J's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion.

I performed procedures to the extent I considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- **Deposit of public funds with financial institutions (ORS Chapter 295).**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Programs funded from outside sources.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**
- **State school fund factors and calculation.**

In connection with my testing nothing came to my attention that caused us to believe the District was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, with the following exceptions:

- Over-expenditure of appropriations occurred in one fund for the fiscal year ended June 30, 2019, as noted on page 50 of the audit report.
- The 2018-19 Transfer of Appropriations Amendment for the Food Service Fund is not complete per Oregon Budget Law.

**OAR 162-10-0230 Internal Control**

In planning and performing my audit, I considered the District's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the District's internal control over financial reporting.

This report is intended solely for the information and use of the Board of Directors and management of Amity School District No. 4J and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.



Steve Tuchscherer, CPA  
Umpqua Valley Financial  
Roseburg, Oregon  
November 22, 2019